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CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

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CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

BEER & OTHER FERMENTED MALT LIQUORS

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CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

BEER AND OTHER FERMENTED MALT LIQUORS

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 531 identical establishments -- 464 service and limited-function wholesalers and 67 manufacturers' sales branches -- for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in the size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of the beer trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones since 1935 being omitted. Those with sales of less than \$25,000 for the year were likewise omitted, as they account for but a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow up; hence, not all wholesalers contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling beer and other fermented malt liquors at wholesale during the year 1935 and which still operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929; 1933 and 1935, respectively. Below is a comparison of the number and sales of service and limited-function wholesalers and manufacturers' sales branches engaged primarily in selling beer and other fermented malt liquors. No data are shown for 1929, a prohibition year.

Period	Service and Limited- Function Wholesalers		Manufacturers' Sales Branches	
	Number of establishments	Net Sales	Number of establishments	Net Sales
1929 Census	Prohibition Era		Prohibition Era	
1933 Census	2,193	\$ 90,493,000	93	\$37,141,000
1935 Census	4,016	281,259,000	261	68,275,000
Percent change 1933 to 1935	+83.1	+210.8	+180.6	+83.8
Identical establishments in this Survey:				
1935	464	\$57,745,000	67	\$40,787,000
1936	464	78,142,000	67	52,396,000
1937	464	88,483,000	67	59,038,000
Percent change, identical establishments 1935 to 1937		+53.2		+44.7

430 Million Dollars For Service And Limited-Function Wholesalers

If the 53.2 percent increase in 1937 over 1935, as found in this Survey, is considered representative for the trade, the total business of all service and limited-function wholesalers engaged primarily in selling beer and other fermented malt liquors exceeded 430 million dollars in 1937. Likewise, if the 44.7 percent increase is representative, the total for all manufacturers' sales branches approximated 98 million dollars.

Pay Roll And Inventories Increased More Than Sales

It is interesting to note that between 1935 and 1937 pay roll and end of year inventories of service and limited-function wholesalers show a larger relative increase than annual sales; 57.0 percent for pay roll and 78.0 percent for inventories as compared with 53.2 percent for net sales. The 67 manufacturers' sales branches on the other hand show a 44.7 percent increase in business as compared with a 17.7 percent rise in pay roll and 33.9 percent for inventories.

Type of Operation	Percent increase, 1937 over 1935		
	Net sales	Pay roll	Stocks (end of year)
Service and limited-function wholesalers (464 establishments)	53.2	57.0	78.0
Manufacturers' sales branches (67 establishments)	44.7	17.7	33.9

Quarterly Sales, 1937 and First Half of 1938

A measure of the short-term trend in the beer and other fermented malt liquors trade is given in terms of quarterly sales of all establishments included in this Survey, for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

Period	464 Service and Limited- Function Wholesalers		67 Manufacturers' Sales Branches	
	Net sales	% change from preceding quarter	Net sales	% change from preceding quarter
1st Qr. 1937	\$16,017,000	--	\$10,355,000	--
2nd Qr. 1937	23,874,000	+49.1	16,871,000	+62.9
3rd Qr. 1937	28,425,000	+19.1	19,111,000	+13.3
4th Qr. 1937	20,167,000	-29.1	12,701,000	-33.5
1st Qr. 1938	16,091,000	-20.2	10,887,000	-14.3
2nd Qr. 1938	22,049,000	+37.0	15,255,000	+40.1
Percent Change				
1st Qr. 1938 vs. 1st Qr. 1937		+ 0.5		+ 5.1
2nd Qr. 1938 vs. 2nd Qr. 1937		- 7.6		- 9.6

Percent Sample

The 464 service and limited-function wholesalers included herein represented 12 percent of the total number and accounted for 21 percent of the sales of all merchant wholesalers in 1935, while the 67 manufacturers' sales branches represented 26 percent of the number and accounted for 60 percent of the sales of all sales branches for that year.

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number of those included, together with their 1935 sales and pay roll is compared by geographic divisions with the totals in 1935. For convenience in using the information, the percent sample of establishments and sales is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and inventories of the 464 service and limited-function wholesalers and the 67 manufacturers' sales branches for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

SIZE OF ESTABLISHMENT

Of the 464 service and limited-function wholesalers included in this Survey, 367 are classified as wholesale merchants, 2 as importers and 95 as wagon distributors. The 367 wholesale merchants are arranged according to their 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants for that year. As might be expected, a greater percentage of the larger establishments than the smaller ones reported for this Survey. Eleven of the 37 (30%) in the \$500,000-and-over bracket and 47 of the 194 (24%) in the \$200,000 - \$499,999 group are included as compared with only 104 of the 1,333 (8%) in the under \$50,000 bracket. The percent sample of sales is also highest in the upper bracket and decreases with size.

TABLE A. -SAMPLE BY SIZE OF ESTABLISHMENT-WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935		Percent Sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
Total	2,595	367	\$217,218,000	\$49,251,000	14	23
\$500,000 and over	37	11	29,093,000	9,685,000	30	45
\$200,000 - \$499,999	194	47	57,450,000	14,445,000	24	25
\$100,000 - \$199,999	390	91	53,515,000	13,074,000	23	24
\$ 50,000 - \$ 99,999	641	114	45,549,000	8,130,000	18	18
Under \$50,000	1,333	104	31,611,000	3,917,000	8	12

Increases by Size, 1937 over 1935

It is interesting to note that the smaller establishments, those under \$200,000, show a greater increase in business than the larger ones. For example, sales of the 104 houses in the under-\$50,000 group increased 76.8 percent, and the business of the 114 in the \$50,000 - \$99,999 bracket rose 69.5 percent as compared with only 38.9 percent for the \$200,000 - \$499,999 group and 47.3 percent for the 11 houses in the \$500,000-and-over bracket. The smaller establishments also show more than average increases in inventories.

**TABLE B. -INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT**

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
Total	367	54.7	56.9	80.4
\$500,000 and over	11	47.3	59.9	91.1
\$200,000 - \$499,999	47	38.9	53.2	40.7
\$100,000 - \$199,999	91	61.6	53.0	93.3
\$ 50,000 - \$ 99,999	114	69.5	70.2	94.3
Under \$50,000	104	76.8	45.9	140.7

Change of establishments from one size group to another, 1935 to 1937, is shown in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper brackets. For example, 28 establishments were in the \$500,000-and-over group in 1937 as compared with only 11 in 1935. On the other hand, 104 of the 367 merchants were in the under \$50,000 group in 1935 as compared with only 51 in 1937. A total of 190 establishments moved up in size bracket while only 25 dropped to lower groups.

TABLE C. -NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937

Size of establishment (based on net sales)	Total establishments 1935	\$500,000 and over in 1937	\$200,000 to \$499,999 in 1937	\$100,000 to \$199,999 in 1937	\$50,000 to \$99,999 in 1937	Under \$50,000 in 1937
Total establishments, 1937	367	28	88	100	100	51
\$500,000 and over	11	9	2			
\$200,000 - \$499,999	47	15	28	4		
\$100,000 - \$199,999	91	4	42	37	7	1
\$ 50,000 - \$ 99,999	114		13	51	39	11
Under \$50,000	104		3	8	54	39

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales 10 days or less; and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information, hence, the number of establishments in these tables is less than the total number included in the Survey.

Credit Period And Rate Of Discount

Table D classifies 459 service and limited-function wholesalers and 57 manufacturers sales branches according to usual credit periods and cash discount rates. It should be noted that the classification as given here represents the policy of the houses from which practice may vary. A variety of credit periods appear in the wholesale beer trade with no particular one predominating. Thirty days is the most frequent period reported both for service and limited-function wholesalers and for manufacturers' sales branches although credit extension of seven days, 10 days, or 15 days is quite common. Many wholesale establishments vary their credit period according to the customer or with the line of merchandise.

Billing net is the common practice in the trade although 36 of the 459 service and limited-function wholesalers and 10 of the 57 manufacturers' sales branches granted discounts. Eighteen of the service and limited-function wholesalers and the 10 manufacturers' sales branches granting discounts varied their rates according to customer.

TABLE D. -ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of estab- lishments	Usual discount rate			
		Net*	2%	Other rates	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS					
Total establishments	459	453	<u>1</u> 13	5	18
Spot cash (credit not usually granted)	204	204	--	--	--
7 days	47	47	--	--	--
10 days	20	19	1	--	--
15 days	11	10	1	--	--
30 days	69	66	3	2	2
Other periods	6	4	2	--	--
Combination of periods**	32	32	--	--	--
Periods not stated	70	51	--	3	16
MANUFACTURERS' SALES BRANCHES					
Total establishments	57	47	--	--	10
Spot cash (credit not usually granted)	7	7	--	--	--
7 days	9	9	--	--	--
15 days	7	7	--	--	--
30 days	18	18	--	--	--
Other periods	2	2	--	--	--
Combination of periods**	1	1	--	--	--
Periods not stated	13	3	--	--	10

* Cash discount not usually granted.

** Period varies with commodity and customer.

1/ One establishment reported its discount period as 10 days; 1 as 15 days; 9 as 30 days; while 2 failed to state their discount period.

Cash vs. Credit Sales

The cash-credit division of 1937 sales is shown in Table E. It is interesting to note that over one-half (52.6%) of the sales of service and limited-function wholesalers is for cash while nine-tenths (89.7%) of the business of manufacturers' sales branches is on credit. Five-eighths (62.3%) of the business of manufacturers' branches is on credit for a period of more than 10 days as compared with only one-fourth (28.7%) for service and limited-function wholesalers. Merchant wholesalers that grant cash discounts show a larger percentage of credit for more than 10 days than those who bill net.

TABLE E. -CASH-CREDIT ANALYSIS OF SALES

(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Usual rate of discount			
		Net	2%	Other rates	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS					
Number of establishments	459	423	13	5	16
Net sales (1937)	\$87,610,000	\$82,079,000	\$2,330,000	\$811,000	\$2,390,000
Spot cash	45,059,000	43,511,000	1,061,000	283,000	1,224,000
Credit 10 days or less	16,401,000	15,533,000	475,000	119,000	274,000
Credit more than 10 days	25,150,000	23,035,000	794,000	429,000	892,000
Percent of net sales					
Spot cash	52.6	53.0	45.5	32.4	51.2
Credit 10 days or less	18.7	18.9	20.4	14.7	11.5
Credit more than 10 days	28.7	28.1	34.1	52.9	37.3
Percent of credit sales discounted					
Percent of all credit sales discounted (weighted average)			16.1	20.5	12.7
MANUFACTURERS' SALES BRANCHES					
Number of establishments	57	47			10
Net sales (1937)	\$52,750,000	\$20,301,000			\$32,149,000
Spot cash	5,379,000	5,014,000			385,000
Credit 10 days or less	14,423,000	2,546,000			11,947,000
Credit more than 10 days	32,878,000	13,041,000			19,837,000
Percent of net sales					
Spot cash	10.2	24.3			1.1
Credit 10 days or less	27.3	12.4			37.2
Credit more than 10 days	62.5	63.3			61.7
Percent of credit sales discounted					
Percent of all credit sales discounted (weighted average)					66.2

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Wholesale merchants selling on a two percent basis granted discounts on 16.1 percent of their 1937 credit sales, and those granting discounts but not stating their rates discounted 12.7 percent. The 10 manufacturers' sales branches selling on this basis discounted 66.2 percent of their 1937 sales.

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The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

BEER AND OTHER FERMENTED MALT LIQUORS

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET * SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE		
	ESTABLISHMENTS %	NET * SALES %			1937				1938		1ST Q. 1937 To 1ST Q. 1938	2ND Q. 1937 To 2ND Q. 1938	
					1ST Q. R.	2ND Q. R.	3RD Q. R.	4TH Q. R.	1ST Q. R.	2ND Q. R.			
					Jan. 1 Mar. 31	April 1 June 30	July 1 Sept. 30	Oct. 1 Dec. 31	Jan. 1 Mar. 31	April 1 June 30			
SERVICE AND LIMITED-FUNCTION WHOLESALEERS													
UNITED STATES	12	21	464	\$88,483	\$16,017	\$23,874	\$28,425	\$20,167	\$16,091	\$22,049	+ 0.5	- 7.6	
New England	19	32	33	10,729	1,929	2,774	3,653	2,373	1,938	2,767	+ 0.5	- 0.3	
Middle Atlantic	10	16	124	17,383	3,123	4,649	5,656	3,955	3,130	4,412	+ 0.2	- 5.1	
East North Central	14	22	131	26,897	4,865	7,336	8,693	6,003	4,763	6,281	- 2.1	-14.4	
West North Central	13	19	71	9,825	1,671	2,653	3,279	2,222	1,811	2,450	+ 8.4	- 7.7	
South Atlantic	10	13	26	3,669	753	1,020	1,088	808	711	948	- 5.6	- 7.1	
East South Central	7	17	9	1,777	320	483	573	401	353	439	+10.3	- 9.1	
West South Central	6	15	14	2,757	545	767	846	599	566	696	+ 3.9	- 9.3	
Mountain	9	8	12	893	143	250	318	182	139	218	- 2.8	-12.8	
Pacific	12	32	44	14,553	2,668	3,942	4,319	3,624	2,680	3,838	+ 0.4	- 2.6	
MANUFACTURERS' SALES BRANCHES (with stocks)													
UNITED STATES	26	60	67	59,038	10,355	16,871	19,111	12,701	10,887	15,255	+ 5.1	- 9.6	
Middle Atlantic	1/	1/	16	14,161	2,471	3,953	4,824	2,913	2,633	3,654	+ 6.6	- 7.6	
East North Central	--	--	10	18,883	3,232	5,101	6,056	4,494	3,477	4,655	+ 7.6	- 8.7	
West North Central	--	--	18	7,863	1,426	2,282	2,633	1,522	1,408	1,915	- 1.3	-16.1	
South Atlantic	--	--	4	2,826	589	817	836	584	602	767	+ 2.2	- 6.1	
Pacific	--	--	12	9,867	1,852	3,135	2,928	1,952	1,835	2,793	- 0.9	-10.9	
Other divisions	--	--	7	5,438	785	1,583	1,834	1,236	932	1,471	+18.7	- 7.1	

+ INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nebr., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

BEER AND OTHER FERMENTED MALT LIQUORS

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTAB- LISH- MENTS INCLU- DED IN 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND END OF YEAR			PERCENT INCREASE 1935 to 1937		
	ESTAB. LISH- MENTS %	NET* SALES %		(add 000)			(add 000)		(add 000)			NET SALES	PAY ROLL	STOCKS
				1937	1936	1935	1937	1935	1937	1936	1935			
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
<u>UNITED STATES</u>	12	21	464	\$88,483	\$78,142	\$57,745	\$6,177	\$3,935	\$3,849	\$3,203	\$2,162	53.2	57.0	78.0
New England	19	32	33	10,729	9,640	7,365	743	507	300	254	198	45.7	46.5	51.5
Middle Atlantic	10	16	124	17,333	15,244	10,762	1,097	699	409	384	203	61.5	56.9	101.5
East North Central	14	22	181	26,897	22,720	16,651	1,826	1,146	829	720	443	61.5	59.3	87.1
West North Central	13	19	71	9,825	8,954	6,805	729	445	378	344	251	44.4	63.8	50.6
South Atlantic	10	13	26	3,669	3,551	2,632	246	178	116	114	74	39.4	38.2	56.8
East South Central	7	17	9	1,777	1,654	1,091	182	101	60	51	42	62.9	80.2	42.9
West South Central	6	15	14	2,757	2,490	2,067	163	115	191	189	145	33.4	41.7	31.7
Mountain	9	8	12	893	754	662	53	46	37	34	31	34.9	15.2	19.4
Pacific	12	32	44	14,553	13,135	9,710	1,138	698	1,529	1,113	775	49.9	63.0	97.3
MANUFACTURERS' SALES BRANCHES (with stocks)														
<u>UNITED STATES</u>	26	60	67	59,038	52,396	40,787	2,986	2,537	533	551	398	44.7	17.7	33.9
Middle Atlantic	1/	1/	16	14,161	11,863	9,922	769	601	81	54	35	42.7	28.0	131.4
East North Central	--	--	10	18,883	15,680	11,080	897	737	109	129	69	70.4	21.7	58.0
West North Central	--	--	18	7,863	7,992	6,103	361	329	80	84	68	28.8	9.7	17.6
South Atlantic	--	--	4	2,826	2,470	2,179	152	136	26	22	13	29.7	11.8	100.0
Pacific	--	--	12	9,867	9,832	8,332	574	539	205	243	200	18.4	6.5	2.5
Other divisions	--	--	7	5,438	4,559	3,171	233	195	32	19	13	71.5	19.5	146.2

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of both full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

TABLE 3.-SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS

DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALERS									
<u>UNITED STATES</u>	4,016	464	12	\$ 281,259	\$ 57,745	21	\$ 18,379	\$ 3,935	21
New England	174	33	19	22,766	7,365	32	1,569	507	32
Middle Atlantic	1,210	124	10	67,057	10,762	16	4,111	699	17
East North Central	946	131	14	76,384	16,651	22	4,976	1,146	23
West North Central	557	71	13	36,262	6,805	19	2,120	445	21
South Atlantic	273	26	10	19,945	2,632	13	1,543	178	12
East South Central	123	9	7	6,438	1,091	17	526	101	19
West South Central	246	14	6	13,670	2,067	15	844	115	14
Mountain	128	12	9	7,937	662	8	427	46	11
Pacific	359	44	12	30,800	9,710	32	2,263	698	31
MANUFACTURERS' SALES BRANCHES (with stocks)									
<u>UNITED STATES</u>	261	67	26	68,275	40,787	60	4,979	2,537	51
Middle Atlantic	<u>1/</u>	16	--	<u>1/</u>	9,922	--	<u>1/</u>	601	--
East North Central	--	10	--	--	11,080	--	--	737	--
West North Central	--	18	--	--	6,103	--	--	329	--
South Atlantic	--	4	--	--	2,179	--	--	136	--
Pacific	--	12	--	--	8,332	--	--	539	--
Other Divisions	--	7	--	--	3,171	--	--	195	--

* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.



UNITED STATES DEPARTMENT OF COMMERCE

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CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

CONFECTIONERY TRADE

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CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

CONFECTIONERY TRADE

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 241 identical wholesalers and 19 manufacturers' sales branches for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937, and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in the size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

Unlike regular Censuses of Business, this Survey is not intended to present a complete picture of the wholesale confectionery trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists composed only of establishments included in the 1935 Census, all new ones being omitted. Those with sales less than \$25,000 for the year 1935 were likewise omitted, as they account for only a negligible portion of the total business. Reporting was purely on a voluntary basis, with only one reminder follow up; hence, not all wholesalers contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling confectionery at wholesale during the year 1935 and which still operate in a similar manner.

SIZE OF SAMPLE

A total of 241 service and limited-function wholesalers and 19 manufacturers' sales branches are included in this Survey. The 241 service and limited-function wholesalers represented 12 percent of the number and accounted for 23 percent of the business of all service and limited-function wholesalers engaged primarily in selling confectionery at wholesale in 1935. Similarly, the 19 manufacturers' sales branches constituted a sample of 23 percent in number and 51 percent in sales. The summary for the United States follows:

Period	Service and Limited- Function Wholesalers		Manufacturers' Sales Branches	
	Number of establishments	Net Sales	Number of establishments	Net Sales
1935 Census	2,070	\$111,867,000	81	\$37,096,000
1937-38 Survey	241	25,497,000	19	19,023,000
Percent Sample	12	23	23	51

Substantial Increases In Sales

Net sales of the 241 service and limited-function wholesalers increased 14.0 percent from 1935 to 1936 and 7.2 percent from 1936 to 1937 or 22.2 percent between 1935 and 1937. Likewise, the business of the 19 manufacturers' sales branches increased 9.0 percent between 1935 and 1936, and 10.6 percent from 1936 to 1937, or 20.5 percent from 1935 to 1937. Sales of the identical establishments for the years 1935, 1936 and 1937 are given below:

Year	Service and Limited- Function Wholesalers		Manufacturers' Sales Branches	
	Number of establishments	Net Sales	Number of establishments	Net Sales
1935	241	\$25,497,000	19	\$19,023,000
1936	241	29,059,000	19	20,729,000
1937	241	31,162,000	19	22,929,000

Percent change, 1935 to 1937	22.2	20.5
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137 Million Dollars For Service And Limited-Function Wholesalers in 1937

If the increase of 22.2 percent in sales over 1935 as found in this Survey is representative for all service and limited-function wholesalers engaged primarily in selling confectionery at wholesale during 1937, their total business would have approximated 137 million dollars. Likewise, with a 20.5 percent increase the 1937 business for manufacturers' sales branches must have exceeded 44 million dollars.

Sales Increased More Than Pay Roll

It is interesting to note that sales for service and limited-function wholesalers increased more than pay roll between 1935 and 1937 --- 22.2 percent for sales as compared with 20.5 percent for pay roll. Likewise, manufacturers' sales branches reported a 20.5 percent increase in business as compared with only a 6.2 percent rise in pay roll. Percent increase in sales, pay roll and stocks are given below:

Type of Operation	Percentage Increases, 1937 over 1935		
	Sales	Pay roll	Stocks (end of year)
241 Service and limited-function wholesalers	22.2	20.5	15.8
19 Manufacturers' Sales Branches	20.5	6.2	27.1

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number, together with the 1935 sales and pay roll, of those included is compared by geographic divisions with the totals in 1935. For convenience in using the information the percent sample, establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and inventories of the 241 wholesalers and 19 manufacturers' sales branches for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

Quarterly Sales, 1937 and First Half of 1938

A measure of the short-term trend in the confectionery trade is given in terms of quarterly sales of the 241 service wholesalers and 19 manufacturers' sales branches for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

Period	Service and Limited-Function Wholesalers		Manufacturers' Sales Branches	
	Net sales	% change from preceding quarters	Net sales	% change from preceding quarters
Number of establishments included	241		19	
1st Qr. 1937	\$7,218,000	--	\$6,066,000	--
2nd Qr. 1937	7,735,000	+ 7.2	4,944,000	- 18.5
3rd Qr. 1937	7,811,000	+ 1.0	5,845,000	+ 18.2
4th Qr. 1937	8,398,000	+ 7.5	6,074,000	+ 3.9
1st Qr. 1938	6,721,000	- 20.0	5,640,000	- 7.1
2nd Qr. 1938	7,043,000	+ 4.8	4,811,000	- 14.7
<u>Percent change</u>				
1st Qr. 1938 vs. 1st Qr. 1937	- 6.9		- 7.0	
2nd Qr. 1938 vs. 2nd Qr. 1937	- 8.9		- 2.7	
First half 1938 vs. first half 1937	- 8.0		- 5.1	

BY SIZE OF ESTABLISHMENT

Of the 241 service and limited-function wholesalers included in this Survey, 219 are classified as wholesale merchants, 2 as cash-and-carry houses and 20 as wagon distributors. The 219 wholesale merchants are arranged according to their 1935 size, in Table A, below, where their number and sales are compared by size classification with all wholesale merchants specializing in confectionery for that year. As might be expected a greater percentage of the larger houses are included than of the smaller ones. For example, 3 of the 12 establishments (25%) for the \$500,000-and-over group and 12 of the 35 (34%) from \$300,000 - \$499,999 are included as compared with only 62 of 966 establishments (6%) with sales of less than \$50,000 in 1935.

TABLE A.-SAMPLE BY SIZE OF ESTABLISHMENT-WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net Sales - 1935 (add 000)		Percent Sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
Total	1,580	219	\$97,876	\$24,135	14	25
\$500,000 and over	12	3	2,817	1,793	25	64
\$300,000 - \$499,999	35	12	12,629	4,317	34	34
\$200,000 - \$299,999	51	14	12,029	3,408	27	28
\$100,000 - \$199,999	175	49	23,881	6,940	28	29
\$50,000 - \$99,999	341	79	28,731	5,466	23	23
Under \$50,000	966	62	17,789	2,211	6	12

Increases By Size, 1937 Over 1935

Percentage increases in sales, pay roll and stocks, 1937 over 1935, of the 219 wholesale merchants are shown in Table B, below, by size of establishment. It is interesting to note that smaller establishments show greater relative increases in sales and pay roll than the larger ones. For example, the 62 establishments under \$50,000 show a gain of 27.2 percent in sales and 30.2 percent in pay roll as compared with a 16.2 percent rise in sales and 13.4 percent increase in pay roll for the 3 establishments in the \$500,000-and-over group. On the other hand, stocks for the \$500,000-and-over group were up 14.9 percent compared with only a 5.0 percent rise for the under \$50,000 bracket.

TABLE B.-INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of Estab- lishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
Total	219	22.5	20.5	14.9
\$500,000 and over	3	16.2	13.4	19.6
\$300,000 - \$499,999	12	22.4	25.9	25.0
\$200,000 - \$299,999	14	24.2	26.4	16.3
\$100,000 - \$199,999	49	16.1	9.4	15.5
\$50,000 - \$99,999	79	30.0	28.7	10.7
Under \$50,000	62	27.2	30.2	5.0

Changes of establishments from one size bracket to another, 1935 to 1937, are shown in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 6 houses were in the \$500,000-and-over group in 1937 as compared with only 3 in 1935. On the other hand, 62 houses had sales of less than \$50,000 in 1937 as compared with 50 in 1935. A total of 63 establishments moved up in classification, while only 9 dropped to lower groups. Five establishments increased as much as two size brackets.

TABLE C.-NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937
(Wholesale merchants only)

Size of establishment (based on net sales)	Total establishments 1935	1	2	3	4	5	6
		in 1937	in 1937	in 1937	in 1937	in 1937	in 1937
Total establishments, 1937	219	6	16	22	56	69	50
\$500,000 and over	3	3					
\$300,000 - \$499,999	12	3	9				
\$200,000 - \$299,999	14		7	6	1		
\$100,000 - \$199,999	49			13	35	1	
\$50,000 - \$99,999	79			3	18	51	7
Under \$50,000	62				2	17	43

- (1) \$500,000 and over in 1937
 (2) \$300,000 - \$499,999 in 1937
 (3) \$200,000 - \$299,999 in 1937

- (4) \$100,000 - \$199,999 in 1937
 (5) \$50,000 - \$99,999 in 1937
 (6) Under \$50,000 in 1937

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales, 10 days or less; and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information, hence, the number of establishments in these tables is less than the total number included in this Survey.

Credit Period And Rate Of Discount

Table D classifies 209 service and limited-function wholesalers and 19 manufacturers' sales branches according to usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also the classification as given here represents the policy of the house from which practice may vary.

Thirty days (reported by 83 service wholesalers and 17 sales branches) is the most common credit period in the trade. However, 20 service and limited-function wholesalers sell on a spot cash basis; 13 on credit for a period of 10 days; and 3 for 15 days. Eleven establishments reported that they normally extend credit for 60 days. A cash discount of 2 percent is usually granted although 50 service and limited-function wholesalers bill net and 16 offer a combination of rates. Nineteen stated that they grant discounts but failed to give the rate.

TABLE D.--ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of estab- lishments	Usual discount rate			
		Net*	2%	Combina- tion of rates**	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS					
Total establishments	209	50	1/ 124	16	19
Spot cash (credit not usually granted)	20	20	--	--	--
10 days	13	9	1	--	3
15 days	3	3	--	--	--
30 days	83	11	62	8	2
60 days	11	--	9	2	--
Periods not stated	79	7	52	6	14
MANUFACTURERS' SALES BRANCHES					
Total establishments	19	--	2/ 19	--	--
30 days	17	--	17	--	--
Periods not stated	2	--	2	--	--

* Cash discount not usually granted.

** Rate differs with commodity and customer, no single rate predominating.

1/ 2 establishments reported their discount periods as 7 days; 63 as 10 days; 20 as 15 days; 33 as 30 days; and 6 as more than 30 days.

2/ 14 establishments reported their discount period as 10 days; 5 as 15 days.

Cash vs. Credit Sales

The cash-credit division of 1937 sales is given in Table E. Approximately one-half (51.4%) of the sales of service wholesalers are for a credit period of more than 10 days as compared with one-sixth (16.7%) for a credit period of less than 10 days, and one-third (31.9%) at "spot cash". Likewise, two-fifths (39.2%) of the business of manufacturers' sales branches is on credit for more than 10 days as compared with approximately three-fifths (60.2%) for a period of less than 10 days. Less than 1 percent (0.6%) is for cash.

TABLE E.-CASH-CREDIT ANALYSIS OF SALES

(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Usual discount rate			
		Net	2%	Combina- tion of rates	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS					
Number of establishments	209	50	124	16	19
Net sales (1937)	<u>\$27,277</u>	<u>\$5,107</u>	<u>\$17,960</u>	<u>\$1,941</u>	<u>\$2,269</u>
Spot cash	8,700	2,770	4,304	744	882
Credit 10 days or less	4,560	1,330	2,494	315	421
Credit more than 10 days	14,017	1,007	11,162	882	966
Percent of net sales					
Spot cash	31.9	54.2	24.0	38.3	38.9
Credit 10 days or less	16.7	26.1	13.9	16.2	18.5
Credit more than 10 days	51.4	19.7	62.1	45.5	42.6
<u>Percent of credit sales discounted</u>					
Percent of all credit sales discounted (weighted average)			50.4	37.6	38.3
MANUFACTURERS' SALES BRANCHES					
Number of establishments	19		19		
Net sales (1937)	<u>\$22,609</u>		<u>\$22,609</u>		
Spot cash	137		137		
Credit 10 days or less	13,605		13,605		
Credit more than 10 days	8,867		8,867		
Percent of net sales					
Spot cash	0.6		0.6		
Credit 10 days or less	60.2		60.2		
Credit more than 10 days	39.2		39.2		
<u>Percent of credit sales discounted</u>					
Percent of all credit sales discounted (weighted average)			82.8		

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Service and limited-function wholesalers selling on a 2% basis discounted 50.4 percent of their 1937 business and manufacturers' sales branches granting a similar rate discounted 82.8 percent of their 1937 sales.

- 0 -

The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CONFECTIONERY TRADE

TABLE 1.--NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTABLISHMENTS %	NET SALES %			1937				1938		1ST QR. 1937 To 1ST QR. 1938	2ND QR. 1937 To 2ND QR. 1938
					1ST QR. Jan. 1 Mar. 31	2ND QR. April 1 June 30	3RD QR. July 1 Sept. 30	4TH QR. Oct. 1 Dec. 31	1ST QR. Jan. 1 Mar. 31	2ND QR. April 1 June 30		
SERVICE AND LIMITED-FUNCTION WHOLESALEERS												
UNITED STATES	12	23	241	\$31,162	\$7,218	\$7,735	\$7,811	\$8,398	\$6,721	\$7,043	- 6.9	- 8.9
New England	18	30	25	3,027	662	746	822	797	610	690	- 7.9	- 7.5
Middle Atlantic	14	26	85	11,124	2,626	2,742	2,767	2,989	2,321	2,452	-11.6	-10.6
East North Central	12	26	54	6,753	1,546	1,669	1,684	1,854	1,497	1,551	- 3.2	- 7.1
West North Central	7	9	10	750	167	194	182	207	162	167	- 3.0	-13.9
South Atlantic	12	21	35	4,104	999	1,029	995	1,081	915	894	- 8.4	-13.1
West South Central	7	15	11	1,988	487	479	484	538	510	494	+ 4.7	+ 3.1
Pacific	10	27	13	2,107	465	520	513	609	449	485	- 3.4	- 6.7
Other divisions	6	14	8	1,309	266	356	364	323	257	310	- 3.4	-12.9

MANUFACTURERS' SALES BRANCHES (with stocks)

UNITED STATES	23	51	19	22,929	6,066	4,944	5,845	6,074	5,640	4,811	- 7.0	- 2.7
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+ INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

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EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CONFECTIONERY TRADE

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		No. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND END OF YEAR			PERCENT INCREASE 1935 to 1937		
	ESTAB. LISH- MENTS %	NET* SALES %		(add 000)			(add 000)		(add 000) ¹			NET SALES	PAY ROLL	STOCKS
				1937	1936	1935	1937	1935	1937	1936	1935			
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
<u>UNITED STATES</u>	12	23	241	\$31,162	\$29,059	\$25,497	\$2,502	\$2,076	\$2,219	\$2,201	\$1,916	22.2	20.5	15.8
New England	18	30	25	3,027	2,607	2,694	232	209	205	186	178	12.4	11.0	15.2
Middle Atlantic	14	26	85	11,124	10,724	9,558	850	769	799	800	761	16.4	10.5	5.0
East North Central	12	26	54	6,753	6,234	5,310	467	406	452	432	348	27.2	15.0	29.9
West North Central	7	9	10	750	734	667	92	65	61	64	55	12.4	41.5	10.9
South Atlantic	12	21	35	4,104	3,848	3,502	398	346	290	294	255	17.2	15.0	13.7
West South Central	7	15	11	1,988	1,820	1,438	88	74	154	168	153	38.2	18.9	0.7
Pacific	10	27	13	2,107	1,866	1,415	254	140	148	148	107	48.9	81.4	38.3
Other divisions	6	14	8	1,309	1,226	913	121	67	110	109	59	43.4	80.6	86.4

MANUFACTURERS' SALES BRANCHES (with stocks)

<u>UNITED STATES</u>	23	51	19	22,929	20,729	19,023	671	632	684	593	538	20.5	6.2	27.1
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* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of both full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

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WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

CONFECTIONERY TRADE

WHOLESALE DISTRIBUTION

TABLE 3.-SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS

DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALERS									
<u>UNITED STATES</u>	2,070	241	12	\$111,867	\$25,497	23	\$7,602	\$2,076	27
New England	139	25	18	8,891	2,694	30	607	209	34
Middle Atlantic	601	85	14	37,207	9,558	26	2,665	769	29
East North Central	459	54	12	20,417	5,310	26	1,381	406	29
West North Central	140	10	7	7,193	667	9	457	65	14
South Atlantic	287	35	12	16,467	3,502	21	1,246	346	28
West South Central	168	11	7	9,824	1,438	15	522	74	14
Pacific	134	13	10	5,274	1,415	27	333	140	42
Other divisions	142	8	6	6,594	913	14	391	67	17

MANUFACTURERS' SALES BRANCHES (with stocks)

<u>UNITED STATES</u>	81	19	23	37,096	19,023	51	1,910	632	33
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* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

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UNITED STATES DEPARTMENT OF COMMERCE

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CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

DRUGS AND DRUG SUNDRIES

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CENSUS SURVEY OF BUSINESS: 1937-38

Wholesale Distribution

DRUGS AND DRUG SUNDRIES

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 362 identical establishments -- 308 service and limited-function wholesalers and 54 manufacturers' sales branches -- for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in the size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of the wholesale drug business, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones being omitted. Those with sales of less than \$25,000 for the year 1935 were likewise omitted, as they account for only a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow-up; hence, not all establishments contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling drugs, proprietories, toiletries and drug sundries at wholesale during the year 1935 and continue to operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935 respectively. Below is a comparison of the number of establishments and sales for each of the Census periods.

Period	Service and limited- Function Wholesalers		Manufacturers' Sales Branches	
	Number of estab- lishments	Net sales	Number of estab- lishments	Net sales
1929 Census	1,201	\$534,959,000	not available	
1933 Census	1,169	350,326,000	202	\$ 83,761,000
1935 Census	1,563	447,582,000	270	128,468,000
Percent change				
1929 to 1933	- 2.7	- 34.5	--	--
1933 to 1935	+ 33.7	+ 27.8	+ 33.7	+ 53.4
Identical establishments in this Survey:				
1935	308	\$239,262,000	54	\$42,917,000
1936	308	269,761,000	54	47,861,000
1937	308	298,345,000	54	52,416,000
Percent change, identical establishments				
1935 to 1936		+ 12.7		+ 11.5
1936 to 1937		+ 10.6		+ 9.5

1937 Compared With 1935

Of the 308 service and limited-function wholesalers included in this Survey, 148 are classified as full-line houses -- 138 service wholesalers and 10 cooperatives or mutuals -- and 160 as specialty line houses dealing in proprietories, toiletries and drug sundries. Forty-two of the full-line service wholesalers maintain liquor departments, while 96 do not. Percentage increases, 1937

over 1935, in sales, pay roll and end of year inventories are given below for each type of establishment. It is interesting to note that for full-line wholesalers, pay roll and inventories show larger percentage increases than sales; 24.4 percent for inventories, 23.7 percent for pay roll and 23.1 percent for volume of business. Also, pay roll of the 160 specialty line houses was up 45.8 percent as compared with a 32.1 percent rise in sales. Inventories of specialty line houses, however, were off 2.6 percent.

Type of Operation	Percent increase, 1937 over 1935		
	Net sales	Pay roll	Stocks (end of year)
148 Drugs full-line	23.1	23.7	24.4
96 without liquor departments	16.8	16.7	17.8
42 with liquor departments	31.4	31.0	32.6
10 cooperatives and mutuals	18.0	35.6	18.4
160 Drugs specialty line	32.1	45.8	- 2.6
54 Manufacturers' sales branches	22.1	23.0	4.2

Quarterly Sales, 1937 and First Half of 1938

A measure of the short term trend in the wholesale drug trade is given in terms of quarterly sales for 1937 and the first half of 1938. Quarterly sales by geographic divisions -- drug and liquor departments separately for full-line houses -- are shown in Table 1. The summary for the United States follows:

Period	Service and Limited-Function Wholesalers						Manufacturers'	
	Full-line				Specialty-lines		Sales	
	Drug Departments		Liquor Departments				Branches	
	Net Sales (add 000)	(1)	Net Sales (add 000)	(1)	Net Sales (add 000)	(1)	Net Sales (add 000)	(1)
Number of establishments	148		42		160		54	
1st Qr. 1937	\$52,014	--	\$ 7,683	--	\$13,908	--	\$15,203	--
2nd Qr. 1937	49,597	- 4.6	7,750	+ 0.9	13,678	- 1.7	12,695	- 16.5
3rd Qr. 1937	52,094	+ 5.0	7,373	- 4.9	12,940	- 5.4	12,148	- 4.3
4th Qr. 1937	53,905	+ 3.5	11,306	+ 53.3	16,097	+ 24.4	12,370	+ 1.8
1st Qr. 1938	49,631	- 7.9	7,384	- 34.7	13,029	- 19.1	13,507	+ 9.2
2nd Qr. 1938	47,237	- 4.8	7,618	+ 3.2	13,180	+ 1.2	11,358	- 15.9
Percent change								
1st Qr. 1938 vs. 1st Qr. 1937	- 4.6		- 3.9		- 6.3		- 11.2	
2nd Qr. 1938 vs. 2nd Qr. 1937	- 4.8		- 1.7		- 3.6		- 10.5	

(1) Percent of change from preceding quarter.

Percent Sample

The 148 full-line establishments in this Survey represented 50 percent of the number and accounted for 61 percent of the business of all such houses in 1935, and the 160 specialty line establishments constitute a sample of 13 percent in number and 35 percent in sales. The sample for manufacturers' sales branches is 20 percent of establishments and 33 percent of sales.

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number of those included, together with 1935 sales and pay roll, is compared by geographic divisions with the totals in 1935. For convenience in using the information the percent sample, of establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions on sales and inventories of the 308 service and limited-function wholesalers and the 54 manufacturers' sales branches for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

SIZE OF ESTABLISHMENT

The 138 full-line service wholesalers are arranged according to their 1935 size in Table A, below, where their number and sales are compared by size classification with all service wholesalers selling a full-line of drugs for that year. As might be expected, a greater percentage of large houses reported for this Survey than small ones. Twenty-four of the 39 establishments (62%) in the \$2,000,000-and-over bracket are included as compared with only 30 of the 97 houses (31%) in the under-\$500,000 group.

Of the 160 specialty line houses studied, 138 are classified as wholesale merchants, 1 as a cooperative, 2 as exporters, 15 as importers, and 4 as mail order houses. The 138 wholesale merchants are also classified according to size in 1935 and compared with the total for that year. Here also the sample is largest in the upper bracket and decreases with size.

TABLE A.-SAMPLE BY SIZE OF ESTABLISHMENT-SERVICE WHOLESALEERS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935 (add 000)		Percent Sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
DRUGS (full-line)						
Total	274	138	\$297,784	\$179,969	50	61
\$2,000,000 and over	39	24	129,865	77,871	62	60
\$1,000,000 - \$1,999,999	68	49	91,565	67,052	72	73
\$500,000 - \$999,999	70	35	51,237	25,728	50	50
Under \$500,000	97	30	25,117	9,318	31	37
DRUGS (specialty lines)						
Total	1,149	138	\$112,813	\$40,143	12	36
\$500,000 and over	32	13	51,008	24,560	41	48
\$200,000 - \$499,999	77	25	24,543	7,920	32	32
Under \$200,000	1,040	100	37,262	7,663	10	21

Increases By Size, 1937 Over 1935

Percentage increases in sales, pay roll and stocks -- 1937 over 1935 -- are given by size groups in Table B for the 96 full-line service wholesalers without liquor departments; the 42 houses with liquor departments and for the 138 wholesale merchants handling specialty lines. In general sales of smaller establishments increased more than larger ones. Full-line houses without liquor departments, for example, show an increase of 21.2 percent in the under-\$500,000 bracket; 20.6 percent for the \$500,000 - \$999,999 group; 15.9 percent for the \$1,000,000 - \$1,999,999 classification; and 13.7 percent in the \$2,000,000-and-over bracket. Sales of the 29 houses with liquor departments whose individual businesses amounted to less than \$2,000,000 in 1935 increased 40.9 percent as compared with a gain of only 23.9 percent for the 13 houses over \$2,000,000. The correlation between size and increase in sales is not so pronounced for specialty line merchants.

**TABLE B.-INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT**

Size of establishment (Net sales in 1935)	Number of estab- lishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
DRUGS (full-line)				
Without liquor departments				
Total	96	16.8	16.7	17.8
\$2,000,000 and over	11	13.7	16.3	15.3
\$1,000,000 - \$1,999,999	26	15.9	17.4	27.7
\$500,000 - \$999,999	29	20.6	14.2	11.2
Under \$500,000	30	21.2	20.9	9.4

TABLE B.-continued

Size of establishment (Net sales in 1935)	Number of estab- lishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
DRUGS (full-line)				
With liquor departments				
Total	<u>42</u>	<u>31.4</u>	<u>31.0</u>	<u>32.6</u>
\$2,000,000 and over	13	23.9	29.2	25.3
\$1,000,000 - \$1,999,999	23	40.9	33.3	40.2
\$500,000 - \$999,999	6			
DRUGS (specialty lines)				
Total	<u>138</u>	<u>31.3</u>	<u>46.0</u>	- <u>2.6</u>
\$500,000 and over	13	33.4	70.1	- 20.2
\$200,000 - \$499,999	25	22.0	22.9	16.9
Under \$200,000	100	34.3	23.3	20.6

Changes of establishments from one size bracket to another, 1935 to 1937, are shown in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 15 of the 96 houses without liquor departments were in the \$2,000,000-and-over group in 1937 as compared with only 11 in 1935. On the other hand, 30 had sales of less than \$500,000 in 1935 as compared with only 23 in 1937. A total of 17 establishments moved up in classification, while none dropped to a lower group. A similar trend is noted for specialty line houses, but of the 42 service wholesalers with liquor departments, 5 dropped to lower groups while none moved up.

TABLE C.-NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION, 1935 AND 1937

Size of establishment (based on net sales)	Total estab- lishments 1935	\$2,000,000 and over in 1937	\$1,000,000- 1,999,999 in 1937	\$500,000- 999,999 in 1937	Under \$500,000 in 1937
WITHOUT LIQUOR DEPARTMENTS					
Total	<u>96</u>	<u>15</u>	<u>28</u>	<u>30</u>	<u>23</u>
\$2,000,000 and over	11	<u>11</u>			
\$1,000,000 - \$1,999,999	26	4	<u>22</u>		
\$500,000 - \$999,999	29		6	<u>23</u>	
Under \$500,000	30			7	<u>23</u>
WITH LIQUOR DEPARTMENTS					
Total	<u>42</u>	<u>12</u>	<u>20</u>	<u>10</u>	--
\$2,000,000 and over	<u>13</u>	<u>12</u>	<u>1</u>		
\$1,000,000 - \$1,999,999	23		<u>19</u>	4	
\$500,000 - \$999,999	6			<u>6</u>	
DRUGS (specialty lines)					
Total	<u>138</u>	<u>17</u>	<u>32</u>	<u>89</u>	
\$500,000 and over	<u>13</u>	<u>13</u>			
\$200,000 - \$499,999	25	4	<u>21</u>		
Under \$200,000	100		11	<u>89</u>	

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales 10 days or less; and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information; hence, the number of establishments in these tables is less than the total number included in the Survey.

Credit Period And Rate Of Discount

Table D classifies 129 full-line service wholesalers (drug departments only), 144 specialty line houses, and 39 manufacturers' sales branches according to usual credit period and cash discount rate. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also the classification as given here represents the policy of the house from which practice may vary. In the drug trade 30 days is the usual credit period reported by 48 full-line wholesalers, 95 specialty line houses and by 26 manufacturers' sales branches. However, extensions of 10 days, 15 days and 60 days are common.

A cash discount of two percent is common in the drug trade although many houses allow only one percent and others vary the discount rate according to the line of merchandise or the customer. Many specialty line houses, 30 of the 144 studied, bill net.

TABLE D. --ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total Number of Estab- lishments	Usual discount rate				
		Net*	1%	2%	Combina- tion of rates **	Discount granted, rate not stated
DRUGS (full-line)						
Liquor Departments Are Omitted						
Total	129	--	1/22	2/37	41	29
15 days	3	--	--	--	--	3
30 days	48	--	6	15	14	13
60 days	11	--	4	7	--	--
Periods not stated	67	--	12	15	27	13
DRUGS (specialty lines)						
Total	144	30	3/30	4/64	7	13
Cash	10	10	--	--	--	--
10 days	11	8	--	--	1	2
30 days	95	10	28	50	3	4
60 days	16	1	2	9	1	3
Periods not stated	12	1	--	5	2	4
MANUFACTURERS' SALES BRANCHES						
Total	39	--	5/8	6/23	8	--
30 days	26	--	7	13	6	--
60 days	7	--	--	7	--	--
Periods not stated	6	--	1	3	2	--

* Cash discount not usually granted.

** Rate differs with commodity and customer.

1/ 8 establishments reported their discount period as 10 days; 5 as 10th proximo; 1 as 15th proximo and 8 as 30 days.

2/ 14 establishments reported their discount period as 10 days; 20 as 10th proximo and 3 as 30 days.

3/ 23 establishments reported their discount period as 10 days; 3 as 15 days; 3 as 10th proximo and 1 as 30 days.

4/ 54 establishments reported their discount period as 10 days; 1 as 15 days; 4 as 10th proximo and 5 as 30 days.

5/ 7 establishments reported their discount period as 10 days and 1 as 10th proximo.

6/ 16 establishments reported their discount period as 10 days; 2 as 10th proximo and 5 as 15th proximo.

Cash vs. Credit Sales

The cash-credit division of 1937 sales is given in Table E. Drugs are usually sold on credit, as shown by the fact that 87.1 percent of the business of full-line wholesalers (drug departments only); 72.7 percent for specialty line houses; and 98.8 percent of the sales of manufacturers' sales branches are on time for a period of more than 10 days. Spot cash business is small accounting for only 7.9 percent of the total for full-line wholesalers, 4.6 percent for specialty line houses, and 0.1 percent for manufacturers' sales branches.

TABLE E. --CASH-CREDIT ANALYSIS OF SALES
(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Usual discount rate				
		Net*	1%	2%	Combina- tion of rates **	Discount granted, rate not stated
DRUGS (full-line)						
Liquor Departments Are Omitted						
Number of establishments	129	--	22	37	41	29
Net sales (1937)	\$182,735	--	\$29,502	\$41,097	\$67,061	\$45,075
Spot cash	14,482	--	1,807	2,882	5,789	4,004
Credit 10 days or less	9,126	--	939	1,128	3,545	3,514
Credit more than 10 days	159,127	--	26,756	37,087	57,727	37,557
Percent of net sales						
Spot cash	7.9	--	6.1	7.0	8.6	8.9
Credit 10 days or less	5.0	--	3.2	2.7	5.3	7.8
Credit more than 10 days	87.1	--	90.7	90.3	86.1	83.3
Percent of credit sales discounted						
Percent of credit sales discounted (weighted average)			73.4	72.8	70.9	79.0
DRUGS (specialty lines)						
Number of establishments	144	30	30	64	7	13
Net sales (1937)	\$51,808	\$4,750	\$25,015	\$17,584	\$1,236	\$3,223
Spot cash	2,396	1,121	127	1,015	39	94
Credit 10 days or less	11,739	1,852	1,167	6,626	172	1,922
Credit more than 10 days	37,673	1,777	23,721	9,943	1,025	1,207
Percent of net sales						
Spot cash	4.6	23.6	0.5	5.8	3.2	2.9
Credit 10 days or less	22.7	39.0	4.7	37.7	13.9	59.6
Credit more than 10 days	72.7	37.4	94.8	56.5	82.9	37.5
Percent of credit sales discounted						
Percent of credit sales discounted (weighted average)			83.7	69.1	82.7	84.9
MANUFACTURERS' SALES BRANCHES						
Number of establishments	39	--	8	23	8	--
Net sales (1937)	\$40,985	--	\$13,352	\$22,943	\$4,690	--
Spot cash	31	--	3	23	5	--
Credit 10 days or less	441	--	--	367	74	--
Credit more than 10 days	40,513	--	13,349	22,553	4,611	--
Percent of net sales						
Spot cash	0.1	--	--	0.1	0.1	--
Credit 10 days or less	1.1	--	--	1.6	1.6	--
Credit more than 10 days	98.8	--	100.0	98.3	98.3	--
Percent of credit sales discounted						
Percent of credit sales discounted (weighted average)			93.1	71.2	94.9	--

DRUGS AND DRUG SUNDRIES

TABLE 1 -NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938

FOR IDENTICAL ESTABLISHMENTS BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	SAMPLE BASED ON 1935 CENSUS		NO. OF ESTAB- LISH- MENTS REPORT- ING 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)								PERCENT CHANGE	
	ESTAB- LISH- MENTS %	NET SALES %			1937				1938		1ST Q. 1937 To 1ST Q. 1938	2ND Q. 1937 To 2ND Q. 1938		
					1ST Q. JAN. 1 MAR. 31	2ND Q. APRIL 1 JUNE 30	3RD Q. JULY 1 SEPT. 30	4TH Q. OCT. 1 DEC. 31	1ST Q. JAN. 1 MAR. 31	2ND Q. APRIL 1 JUNE 30				
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
Drugs (full-line), Total	50	61	148	\$241,722	\$59,697	\$57,347	\$59,467	\$65,211	\$57,015	\$54,855	- 4.5	- 4.3		
Service Wholesalers														
Without liquor departments	--	--	96	112,599	28,328	26,890	28,115	29,266	27,090	25,753	- 4.4	- 4.2		
With liquor departments 1/														
Drug departments	--	--	42	75,621	18,873	18,009	19,138	19,601	17,853	16,964	- 5.4	- 5.8		
Liquor departments	--	--		34,112	7,683	7,750	7,373	11,306	7,384	7,618	- 3.9	- 1.7		
Cooperatives and Mutuals	--	--	10	19,390	4,813	4,698	4,841	5,038	4,688	4,520	- 2.6	- 3.8		
Geographic Divisions														
Drug departments														
New England	30	x	7	8,131	2,083	1,888	2,163	1,997	1,869	1,824	-10.3	- 3.4		
Middle Atlantic	51	74	20	41,279	10,679	9,927	10,318	10,355	9,668	9,370	- 9.5	- 5.6		
East North Central	50	56	25	38,973	9,701	9,364	9,883	10,025	8,767	8,342	- 9.6	-10.9		
West North Central	41	58	13	25,470	6,298	6,234	6,520	6,418	6,028	5,945	- 4.3	- 4.6		
South Atlantic	60	68	32	26,335	6,845	6,141	6,360	6,989	6,696	5,829	- 2.2	- 5.1		
East South Central	56	76	15	15,360	3,888	3,728	3,792	3,952	3,618	3,389	- 6.9	- 9.1		
West South Central	53	74	16	20,444	5,007	4,841	5,239	5,357	4,940	4,559	- 1.3	- 5.8		
Mountain	59	x	10	8,907	2,208	2,111	2,283	2,305	2,209	2,196	0.0	+ 4.0		
Pacific	42	50	10	22,711	5,305	5,363	5,536	6,507	5,836	5,783	+10.0	+ 7.8		
Liquor departments	--	--	42	34,112	7,683	7,750	7,373	11,306	7,384	7,618	- 3.9	- 1.7		
Drugs and drug sundries (specialty lines)	13	35	160	56,623	13,908	13,678	12,940	16,097	13,029	13,180	- 6.3	- 3.6		
Drug specialties	16	27	55	9,692	2,621	2,381	2,366	2,324	2,019	1,904	-23.0	-20.0		
Middle Atlantic	17	28	20	4,392	1,308	1,099	983	1,002	732	672	-44.0	-38.9		
East North Central	20	30	12	2,052	525	501	516	510	487	472	- 7.2	- 5.8		
South Atlantic	15	29	6	1,005	251	242	258	254	260	239	+ 3.6	- 1.2		
East South Central	38	43	6	473	123	115	118	117	132	124	+ 7.3	+ 7.8		
Other divisions	10	21	11	1,770	414	424	491	441	408	397	- 1.5	- 6.4		
Drug proprietaries and toiletries	11	30	69	24,206	5,705	5,359	5,476	7,666	5,069	5,293	-11.1	- 1.2		
Middle Atlantic	16	38	41	16,326	3,849	3,500	3,738	5,239	3,407	3,571	-11.5	+ 2.0		
East North Central	7	11	10	2,083	466	397	471	749	416	391	-10.7	- 1.5		
Pacific	10	75	8	4,428	977	1,046	986	1,419	891	947	- 8.8	- 9.5		
All other divisions	6	9	10	1,369	413	416	281	259	355	384	-14.0	- 7.7		
Druggists' sundries	13	52	36	22,725	5,582	5,938	5,098	6,107	5,941	5,983	+ 6.4	+ 0.8		
Middle Atlantic	16	57	19	9,623	2,366	2,508	2,213	2,536	2,406	2,444	+ 1.7	- 2.6		
All other divisions	10	47	17	13,102	3,216	3,430	2,885	3,571	3,535	3,539	+ 9.9	+ 3.2		

MANUFACTURERS' SALES BRANCHES

Geographic Divisions														
UNITED STATES														
	20	33	54	52,416	15,203	12,695	12,148	12,370	13,507	11,358	-11.2	-10.5		
Middle Atlantic	19	36	18	32,742	9,423	8,126	7,663	7,530	8,404	7,093	-10.8	-12.7		
East North Central	21	28	11	6,853	1,984	1,702	1,515	1,652	1,672	1,403	-15.7	-17.6		
West North Central	23	26	6	2,800	751	617	703	729	699	629	- 6.9	+ 1.9		
Pacific	22	36	8	4,241	1,220	976	1,014	1,031	1,117	981	- 8.4	+ 0.5		
All other divisions	17	32	11	5,780	1,825	1,274	1,253	1,428	1,615	1,252	-11.5	- 1.7		

+INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

1/ Includes one cooperative.

x 1935 Figures withheld to avoid disclosure.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Full-line wholesalers selling on a one percent basis granted discounts on 73.4 percent of their 1937 credit sales and those granting two percent allowed discounts on 72.8 percent of their business. Similarly, specialty line houses selling on a one percent basis discounted 83.7 percent of their sales and those on a two percent basis discounted 69.1 percent.

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The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

DRUGS AND DRUG SUNDRIES

TABLE 2.-SALES, PAYROLL AND STOCKS: 1937, 1936 AND 1935

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	SAMPLE BASED ON 1935 CENSUS		NO. OF ESTAB- LISH- MENTS REPORT- ING 1937-38 SURVEY	NET SALES (add 000)			PAY ROLL** (add 000)		STOCKS ON HAND END OF YEAR (add 000)			PERCENT INCREASE 1935 to 1937		
	ESTAB LISH- MENTS %	NET SALES %		1937	1936	1935	1937	1935	1937	1936	1935	NET SALES	PAY ROLL	STOCKS
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
Drugs (full-line), Total	50	61	148	\$241,722	\$218,288	\$196,408	\$16,773	\$13,555	\$41,366	\$39,051	\$33,253	23.1	23.7	24.4
Service Wholesalers	--	--	96	112,599	103,970	96,443	8,329	7,140	19,125	17,408	16,238	16.8	16.7	17.8
Without liquor departments	--	--	42	{ 75,621	{ 73,064	{ 83,526	{ 5,814	{ 5,492	{ 13,268	{ 13,002	{ 14,710	{ 31.4	{ 31.0	{ 32.6
With liquor departments 1/	--	--	42	{ 34,112	{ 23,723	{ 83,526	{ 1,379	{ 5,492	{ 6,243	{ 6,127	{ 14,710	{ 31.4	{ 31.0	{ 32.6
Drug departments	--	--	42	{ 34,112	{ 23,723	{ 83,526	{ 1,379	{ 5,492	{ 6,243	{ 6,127	{ 14,710	{ 31.4	{ 31.0	{ 32.6
Liquor departments	--	--	10	19,390	17,531	16,439	1,252	923	2,730	2,514	2,305	18.0	35.6	18.4
Cooperatives and Mutuals	--	--	10	19,390	17,531	16,439	1,252	923	2,730	2,514	2,305	18.0	35.6	18.4
Geographic Divisions														
New England	30	x	7	{ 8,131	{ 7,839	{ 8,098	{ 554	{ 554	{ 1,213	{ 1,209	{ 1,237	{ 16.4	{ 11.7	{ 16.7
Drug departments	30	x	7	{ 8,131	{ 7,839	{ 8,098	{ 554	{ 554	{ 1,213	{ 1,209	{ 1,237	{ 16.4	{ 11.7	{ 16.7
Liquor departments	30	x	7	{ 1,299	{ 758	{ 8,098	{ 65	{ 554	{ 231	{ 196	{ 1,237	{ 16.4	{ 11.7	{ 16.7
Middle Atlantic	51	74	20	{ 41,279	{ 39,927	{ 38,861	{ 2,818	{ 2,539	{ 5,526	{ 5,208	{ 5,494	{ 17.8	{ 17.6	{ 12.8
Drug departments	51	74	20	{ 41,279	{ 39,927	{ 38,861	{ 2,818	{ 2,539	{ 5,526	{ 5,208	{ 5,494	{ 17.8	{ 17.6	{ 12.8
Liquor departments	51	74	20	{ 4,511	{ 2,233	{ 38,861	{ 167	{ 2,539	{ 669	{ 626	{ 5,494	{ 17.8	{ 17.6	{ 12.8
East North Central	50	56	25	{ 38,973	{ 35,304	{ 33,975	{ 2,860	{ 2,462	{ 5,545	{ 4,974	{ 4,912	{ 29.1	{ 23.6	{ 25.5
Drug departments	50	56	25	{ 38,973	{ 35,304	{ 33,975	{ 2,860	{ 2,462	{ 5,545	{ 4,974	{ 4,912	{ 29.1	{ 23.6	{ 25.5
Liquor departments	50	56	25	{ 4,881	{ 3,312	{ 33,975	{ 182	{ 2,462	{ 622	{ 609	{ 4,912	{ 29.1	{ 23.6	{ 25.5
West North Central	41	58	13	{ 25,470	{ 23,908	{ 26,476	{ 2,032	{ 1,910	{ 3,839	{ 3,778	{ 4,188	{ 10.0	{ 15.1	{ 6.1
Drug departments	41	58	13	{ 25,470	{ 23,908	{ 26,476	{ 2,032	{ 1,910	{ 3,839	{ 3,778	{ 4,188	{ 10.0	{ 15.1	{ 6.1
Liquor departments	41	58	13	{ 3,662	{ 2,994	{ 26,476	{ 166	{ 1,910	{ 603	{ 641	{ 4,188	{ 10.0	{ 15.1	{ 6.1
South Atlantic	60	68	32	{ 26,335	{ 24,234	{ 23,851	{ 1,848	{ 1,601	{ 4,708	{ 4,493	{ 4,410	{ 29.4	{ 23.8	{ 26.5
Drug departments	60	68	32	{ 26,335	{ 24,234	{ 23,851	{ 1,848	{ 1,601	{ 4,708	{ 4,493	{ 4,410	{ 29.4	{ 23.8	{ 26.5
Liquor departments	60	68	32	{ 4,508	{ 3,080	{ 23,851	{ 134	{ 1,601	{ 870	{ 751	{ 4,410	{ 29.4	{ 23.8	{ 26.5
East South Central	56	76	15	{ 15,360	{ 14,306	{ 13,157	{ 1,155	{ 986	{ 2,508	{ 2,439	{ 2,329	{ 19.9	{ 18.9	{ 11.1
Drug departments	56	76	15	{ 15,360	{ 14,306	{ 13,157	{ 1,155	{ 986	{ 2,508	{ 2,439	{ 2,329	{ 19.9	{ 18.9	{ 11.1
Liquor departments	56	76	15	{ 414	{ 315	{ 13,157	{ 17	{ 986	{ 80	{ 40	{ 2,329	{ 19.9	{ 18.9	{ 11.1
West South Central	53	74	16	{ 20,444	{ 19,589	{ 19,761	{ 1,567	{ 1,381	{ 4,152	{ 3,845	{ 4,183	{ 34.9	{ 29.3	{ 34.5
Drug departments	53	74	16	{ 20,444	{ 19,589	{ 19,761	{ 1,567	{ 1,381	{ 4,152	{ 3,845	{ 4,183	{ 34.9	{ 29.3	{ 34.5
Liquor departments	53	74	16	{ 6,220	{ 4,176	{ 19,761	{ 218	{ 1,381	{ 1,473	{ 1,215	{ 4,183	{ 34.9	{ 29.3	{ 34.5
Mountain	59	x	10	{ 8,907	{ 8,283	{ 8,741	{ 621	{ 541	{ 1,844	{ 1,594	{ 1,591	{ 23.5	{ 25.9	{ 29.2
Drug departments	59	x	10	{ 8,907	{ 8,283	{ 8,741	{ 621	{ 541	{ 1,844	{ 1,594	{ 1,591	{ 23.5	{ 25.9	{ 29.2
Liquor departments	59	x	10	{ 1,891	{ 1,512	{ 8,741	{ 60	{ 541	{ 212	{ 255	{ 1,591	{ 23.5	{ 25.9	{ 29.2
Pacific	42	50	10	{ 22,711	{ 21,175	{ 23,508	{ 1,940	{ 1,581	{ 5,788	{ 5,384	{ 4,909	{ 25.2	{ 46.0	{ 48.1
Drug departments	42	50	10	{ 22,711	{ 21,175	{ 23,508	{ 1,940	{ 1,581	{ 5,788	{ 5,384	{ 4,909	{ 25.2	{ 46.0	{ 48.1
Liquor departments	42	50	10	{ 6,726	{ 5,343	{ 23,508	{ 369	{ 1,581	{ 1,483	{ 1,794	{ 4,909	{ 25.2	{ 46.0	{ 48.1
Drugs and drug sundries (specialty lines)	13	35	160	56,623	51,473	42,854	5,591	3,834	4,760	4,027	4,888	32.1	45.8	- 2.6
Drug specialties	16	27	55	9,692	8,902	8,124	855	682	1,420	1,287	1,263	19.3	25.4	12.4
Middle Atlantic	17	28	20	4,392	4,030	3,550	288	196	528	436	380	23.7	46.9	38.9
East North Central	20	30	12	2,052	1,909	1,770	246	206	313	293	281	15.9	19.4	11.4
South Atlantic	15	29	6	1,005	925	995	91	75	174	167	189	1.0	21.3	- 7.9
East South Central	38	43	6	473	448	411	44	46	92	95	104	15.1	4.3	-11.5
All other divisions	10	21	11	1,770	1,590	1,398	186	159	313	296	309	26.6	17.0	1.3
Drug proprietaries and toiletries	11	30	69	24,206	21,932	18,495	3,667	2,331	2,430	2,242	2,024	30.9	57.3	20.1
Middle Atlantic	16	38	41	16,326	14,720	11,991	2,446	1,460	1,709	1,520	1,328	36.2	67.5	28.7
East North Central	7	11	10	2,083	1,689	1,310	323	154	170	163	157	59.0	109.7	8.3
Pacific	10	75	8	4,428	4,219	3,986	714	561	417	436	427	11.1	27.3	- 2.3
All other divisions	6	9	10	1,369	1,354	1,208	184	156	134	123	112	13.3	17.9	19.6
Druggists' sundries	13	52	36	22,725	20,589	16,235	1,069	821	910	498	1,601	40.0	30.2	-43.2
Middle Atlantic	16	57	19	9,623	6,002	8,649	340	230	279	252	979	11.3	47.8	-71.5
All other divisions	10	47	17	13,102	14,587	7,586	729	591	631	246	622	72.7	23.4	1.4
MANUFACTURERS' SALES BRANCHES														
Geographic Divisions														
UNITED STATES	20	33	54	52,416	47,861	42,917	4,428	3,599	4,378	3,547	4,201	22.1	23.0	4.2
Middle Atlantic	19	36	18	32,742	29,085	25,754	2,721	2,059	3,063	2,452	2,110	27.1	32.2	45.2
East North Central	21	28	11	6,853	6,693	5,897	403	364	224	206	359	16.2	10.7	-37.6
West North Central	23	26	6	2,800	2,592	2,488	354	324	296	228	396	12.5	9.3	-25.3
Pacific	22	36	8	4,241	3,925	3,346	469	380	410	302	543	26.7	23.4	-24.5
All other divisions	17	32	11	5,780	5,566	5,432	481	472	385	359	793	6.4	1.9	-51.5

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of full time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ Includes one cooperative.

CENSUS SURVEY OF BUSINESS: 1937-38

DRUGS AND DRUG SUNDRIES

WHOLESALE DISTRIBUTION

TABLE 3.--SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL, BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALERS									
<u>Drugs (full-line), Total</u>	295	148	50	\$324,113	\$196,408	61	\$22,465	\$13,555	60
<u>Geographic Divisions</u>									
New England	23	7	30	x	8,098	x	x	554	x
Middle Atlantic	39	20	51	52,734	38,861	74	3,457	2,539	73
East North Central	50	25	50	61,157	33,975	56	4,314	2,462	57
West North Central	32	13	41	45,521	26,476	58	2,997	1,910	64
South Atlantic	53	32	60	35,202	23,831	68	2,537	1,601	63
East South Central	27	15	56	17,264	13,157	76	1,286	986	77
West South Central	30	16	53	26,672	19,761	74	1,930	1,381	72
Mountain	17	10	59	x	8,741	x	x	541	x
Pacific	24	10	42	47,192	23,508	50	3,535	1,581	45
<u>Drugs and drug sundries (specialty lines)</u>	1,268	160	13	123,469	42,854	35	12,420	3,834	31
<u>Drug specialties</u>	342	55	16	29,554	8,124	27	2,701	682	25
Middle Atlantic	116	20	17	12,689	3,550	28	942	196	21
East North Central	59	12	20	5,810	1,770	30	550	206	37
South Atlantic	39	6	15	3,427	995	29	364	75	21
East South Central	16	6	38	952	411	43	150	46	31
All other divisions	112	11	10	6,676	1,398	21	695	159	23
<u>Drug proprietories and toiletries</u>	641	69	11	62,666	18,495	30	7,434	2,331	31
Middle Atlantic	264	41	16	31,377	11,991	38	4,504	1,460	32
East North Central	142	10	7	12,291	1,310	11	1,201	154	13
Pacific	79	8	10	5,317	3,986	75	746	561	75
All other divisions	156	10	6	13,681	1,208	9	983	156	16
<u>Druggists' sundries</u>	285	36	13	31,249	16,235	52	2,285	821	36
Middle Atlantic	117	19	16	15,248	8,649	57	967	230	24
All other divisions	168	17	10	16,001	7,586	47	1,318	591	45
MANUFACTURERS' SALES BRANCHES									
<u>Geographic Divisions</u>									
<u>UNITED STATES</u>	270	54	20	128,468	42,917	33	13,566	3,599	27
Middle Atlantic	93	18	19	71,572	25,754	36	7,190	2,059	29
East North Central	52	11	21	21,232	5,897	28	2,118	364	17
West North Central	26	6	23	9,439	2,488	26	1,182	324	27
Pacific	36	8	22	9,232	3,346	36	1,130	380	34
All other divisions	63	11	17	16,993	5,432	32	1,946	472	24

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

x 1935 Figures withheld to avoid disclosure.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

UNITED STATES DEPARTMENT OF COMMERCE

Harry L. Hopkins, Secretary

BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

DRY GOODS



JANUARY, 1939

CENSUS SURVEY OF BUSINESS: 1937-38

Wholesale Distribution

DRY GOODS

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 790 identical establishments -- 730 service and limited-function wholesalers and 60 manufacturers' sales branches -- for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in size of establishments, 1935 to 1937, are shown; service and limited-function wholesalers and manufacturers' sales branches are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of the wholesale dry goods business, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones being omitted. Those with sales of less than \$25,000 for the year 1935 were likewise omitted, as they account for only a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow-up, hence, not all establishments contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling dry goods at wholesale during the year 1935 and which still operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935 respectively. Below is a comparison of the number of establishments and sales for each of the Census periods.

Period	Service and Limited- Function Wholesalers		Manufacturers' Sales Branches	
	Number of estab- lishments	Net sales	Number of estab- lishments	Net sales
1929 Census	3,719	\$1,686,835,000	not available	
1933 Census	3,387	846,323,000	233	\$115,132,000
1935 Census	3,607	985,400,000	208	180,322,000
Percent change				
1929 to 1933	- 8.9	- 49.8	not available	
1933 to 1935	+ 6.5	+ 16.4	- 10.7	+ 56.6

Identical establishments in this Survey:

1935	730	\$322,906,000	60	\$34,987,000
1936	730	362,556,000	60	37,525,000
1937	730	376,797,000	60	36,546,000

Percent change, identical establishments

1935 to 1936	+ 12.3	+ 7.3
1936 to 1937	+ 3.9	- 2.6
1935 to 1937	+ 16.7	+ 4.5

1937 Compared With 1935

Of the 730 service and limited-function wholesalers included in this Survey, 89 are classified as full-line wholesalers and 641 as specialty line houses (including notions, piece goods, and miscellaneous dry goods). Percentage increases, 1937 over 1935, in sales, pay roll, and end of year

inventories are given below for each type of establishment. It is interesting to note that pay roll shows larger relative increases than sales. For all service and limited-function wholesalers combined pay roll was up 22.5 percent as compared with a 16.7 percent in sales. Similar ratios for specialty line houses were 30.5 percent in pay roll and 19.4 percent for sales, while pay roll of manufacturers' sales branches show a rise of 12.9 percent and for sales 4.5 percent. Only in the case of full-line houses did sales rise more than pay roll, 9.7 percent for sales as compared with 7.5 percent for pay roll.

	Percent increase, 1937 over 1935		
	Net sales	Pay roll	Stocks (end of year)
Total (730 establishments)	16.7	22.5	11.5
89 Full-line establishments	9.7	7.5	15.0
641 Specialty line establishments	19.4	30.5	10.2
188 Notion houses	10.2	34.3	15.6
397 Piece goods houses	21.8	29.7	8.9
56 All other houses	5.9	13.8	16.6
60 Manufacturers' sales branches	4.5	13.3	31.2

Quarterly Sales, 1937 and First Half of 1938

A measure of the short term trend in the wholesale dry goods business is given in terms of quarterly sales for 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

Period	Service and Limited-Function Wholesalers				Manufacturers' Sales Branches	
	Full-line		Specialty lines		Net sales (add 000)	(1)
	Net sales (add 000)	(1)	Net sales (add 000)	(1)		
Number of establishments	89		641		60	
1st Qr. 1937	\$23,940	--	\$86,153	--	\$11,116	--
2nd Qr. 1937	22,540	- 5.8	65,882	- 23.5	9,244	- 16.8
3rd Qr. 1937	27,724	+ 23.0	68,978	+ 4.7	8,914	- 3.6
4th Qr. 1937	24,013	- 13.4	57,567	- 16.5	7,272	- 18.4
1st Qr. 1938	18,709	- 22.1	62,408	+ 8.4	7,816	+ 7.5
2nd Qr. 1938	17,847	- 4.6	49,666	- 20.4	6,247	- 20.1
Percent change						
1st Qr. 1938 vs. 1st Qr. 1937	- 21.9		- 27.6		- 29.7	
2nd Qr. 1938 vs. 2nd Qr. 1937	- 20.8		- 24.6		- 32.4	

(1) Percentage change from preceding quarter.

Percent Sample

The 89 full-line establishments in this Survey represented 29 percent of the number and accounted for 34 percent of the business of all such houses in 1935, and the 641 specialty line wholesalers constitute a sample of 19 percent in number and 32 percent in sales. Similarly, the sample for manufacturers' sales branches is 29 percent in number and 19 percent in sales.

Table 3, attached, measures the size of the sample in terms of the 1935 Census. In this table the number of those included, together with 1935 sales and pay roll, is compared by geographic divisions with the totals in 1935. For convenience in using the information the percent sample of establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions on sales and inventories of 730 service and limited-function wholesalers and 60 manufacturers' sales branches for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

SIZE OF ESTABLISHMENT

Of the 641 specialty line houses studied, 415 are classified as wholesale merchants of the conventional type, 120 as converters, 11 as exporters, 92 as importers and 3 as limited-function wholesalers. The 415 wholesale merchants together with the 99 full-line service wholesalers are arranged according to their 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants in 1935.

As might be expected, a greater percentage of the larger establishments reported for this Survey than smaller ones. For example, 8 of the 22 houses, or 36 percent, with sales of \$2,000,000 and over and 11 of the 28 establishments, 39 percent, in the \$1,000,000 - \$1,999,999 bracket are included as compared with only 52 of the 211 merchants, 25 percent, in the under-\$500,000 classification. The sample of full-line wholesalers is largest in the \$500,000 - \$999,999 group where 43 percent of the total are included. For specialty line houses the sample is also largest in the upper brackets and decreases with size.

TABLE A. -SAMPLE BY SIZE OF ESTABLISHMENT
(Wholesale merchants only)

FULL-LINE						
Size of establishment (Net sales in 1935)	Number of establishments		Net sales - 1935 (add 000)		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
Total	303	89	\$262,615	\$89,540	29	34
\$2,000,000 and over	22	8	156,792	47,124	36	30
\$1,000,000 - \$1,999,999	28	11	38,256	16,452	39	43
\$500,000 - \$999,999	42	18	32,310	14,758	43	46
Under \$500,000	211	52	35,257	11,206	25	32

SPECIALTY LINES						
Total	2,279	415	\$347,933	\$101,465	18	29
\$1,000,000 and over	50	16	98,386	33,474	32	34
\$500,000 - \$999,999	94	27	64,018	17,576	29	27
\$300,000 - \$499,999	139	36	53,124	13,250	26	25
\$100,000 - \$299,999	469	142	79,333	24,342	30	31
Under \$100,000	1,527	194	53,072	12,823	13	24

Increases by Size, 1937 over 1935

Percentage increases in sales, pay roll and stocks -- 1937 over 1935 -- are given by size groups in Table B, for 89 full-line wholesalers and 415 wholesale merchants handling selected lines. In general, the smaller establishments, full-line houses with sales of less than \$1,000,000 and specialty line merchants whose sales in 1935 did not exceed \$300,000, fared better than the larger ones. Sales of full-line houses in the under-\$500,000 classification increased 7.5 percent and those in the \$500,000 - \$999,999 group increased 17.5 percent as compared with a gain of only 4.1 percent for the \$1,000,000 - \$2,000,000 bracket and 9.7 percent for those \$2,000,000-and-over. For specialty houses the largest gain in sales is found in the under-\$100,000 classification (21.3%) while the smallest (0.6%) appears for the \$500,000 - \$999,999 bracket. It is significant to note that pay roll increased more than sales for each size classification of specialty line merchants.

TABLE B. -INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
FULL-LINE				
Total	89	9.7	7.5	15.0
\$2,000,000 and over	8	9.7	2.0	15.4
\$1,000,000 - \$1,999,999	11	4.1	21.0	21.2
\$500,000 - \$999,999	18	17.5	11.7	16.8
Under \$500,000	52	7.5	8.7	5.4
SPECIALTY LINES				
Total	415	14.9	28.6	15.7
\$1,000,000 and over	16	19.1	27.2	17.1
\$500,000 - \$999,999	27	0.6	11.7	- 2.4
\$300,000 - \$499,999	36	6.5	13.4	22.7
\$100,000 - \$299,999	142	20.6	22.6	17.0
Under \$100,000	194	21.3	72.5	24.5

Changes of establishment from one size bracket to another, 1935 to 1937, are shown in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 10 of the 89 full-line houses were in the \$2,000,000 and over bracket in 1937 as compared with 8 in 1935. On the other hand, 52 establishments had sales of less than \$500,000 in 1935 as compared with 49 in 1937. A total of 13 establishments moved up in classification, while one dropped to a lower group. A similar trend is noted for the specialty line houses with 67 establishments moving up in classification and 22 dropping to lower groups.

TABLE C. -NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937

Size of establishment (Net sales in 1935)	Total establishments 1935	\$2,000,000 and over in 1937	\$1,000,000- \$1,999,999 in 1937	\$500,000- \$999,999 in 1937	Under \$500,000 in 1937	
FULL-LINE						
Total	<u>89</u>	<u>10</u>	<u>16</u>	<u>14</u>	<u>49</u>	
\$2,000,000 and over	8	<u>8</u>				
\$1,000,000 - \$1,999,999	11	2	<u>8</u>	1		
\$500,000 - \$999,999	18		8	<u>10</u>		
Under \$500,000	52			3	<u>49</u>	
SPECIALTY LINES						
Size of establishment (Net sales in 1935)	Total establishments 1935	\$1,000,000 and over in 1937	\$500,000- \$999,999 in 1937	\$300,000- \$499,999 in 1937	\$100,000- \$299,999 in 1937	Under \$100,000 in 1937
Total	<u>415</u>	<u>17</u>	<u>31</u>	<u>38</u>	<u>169</u>	<u>160</u>
\$1,000,000 and over	16	<u>16</u>				
\$500,000 - \$999,999	27	1	<u>22</u>	2	2	
\$300,000 - \$499,999	36		4	<u>22</u>	8	2
\$100,000 - \$299,999	142		4	<u>14</u>	<u>117</u>	7
Under \$100,000	194		1		42	<u>151</u>

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales 10 days or less; and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information, hence, the number of establishments in these tables is less than the total number included in the Survey.

Credit Period And Rate Of Discount

Table D classifies 78 full-line wholesalers, 592 specialty line houses and 55 manufacturers' sales branches according to usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also the classifications as given here represent the policy of the houses from which practice may vary.

Sixty days is the most common credit period for the full-line houses, while the number of specialty line houses selling on a 30 day basis slightly exceeded the number granting credit for a period of 60 days, 210 as compared with 184. The number of manufacturers' sales branches is about equally divided between 30 days and 60 days. Many houses (10 full-line wholesalers and 129 specialty line merchants) vary the credit period according to the line of goods sold or the customer.

A cash discount of 2 percent is usually granted although 131 specialty line houses and 7 manufacturers' sales branches reported that they bill net, and 31 full-line houses and 126 specialty line wholesalers offer a variety of discounts, no one rate predominating.

TABLE D. --ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of establishments	Usual discount rate				Discount granted, rate not stated
		Net*	2%	Other rates	Combina- tion of rates**	
FULL-LINE						
Total establishments	78	--	1/39	--	31	8
30 days	12	--	8	--	4	--
60 days	42	--	23	--	17	2
Combination of periods***	10	--	--	--	10	--
Periods not stated	14	--	8	--	--	6
SPECIALTY LINES						
Total establishments	592	131	2/215	3/79	126	41
Cash	6	6	--	--	--	--
30 days	210	20	113	53	16	8
60 days	184	59	79	20	16	10
Combination of periods***	129	33	--	--	92	4
Periods not stated	63	13	23	6	2	19
MANUFACTURERS' SALES BRANCHES						
Total establishments	55	7	4/39	5/9	--	--
30 days	28	6	22	--	--	--
60 days	27	1	17	9	--	--

* Cash discounts not usually granted.

** Rates differ with commodity and customer.

*** Period differs with commodity and customer.

1/ 22 establishments reported their discount period as 10 days, 5 as 30 days and 12 as 60 days.

2/ 172 establishments reported their discount period as 10 days, 2 as 15 days, 25 as 30 days, 15 as 60 days, and 1 as 90 days.

3/ 69 establishments reported their discount period as 10 days, 6 as 30 days, 1 as 60 days, and 3 as 90 days.

4/ 30 establishments reported their discount period as 10 days and 9 as 10th proximo.

5/ All establishments reported their discount period as 10 days.

Cash vs. Credit Sales

The cash-credit division of 1937 sales is given in Table E. Dry goods are usually sold on credit for a period of more than 10 days as shown by the fact that 94.5 percent of the business of full-line merchants; 93.1 percent of the sales of specialty line houses, and 99.8 percent of the business of manufacturers' sales branches is on this basis. Spot cash sales are small accounting for only 4.6 percent of the total for full-line merchants, 1.8 percent for specialty line houses and 0.2 percent for manufacturers' sales branches.

TABLE E. -CASH-CREDIT ANALYSIS OF SALES
(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Usual discount rate				
		Net	2%	Other rates	Combina- tion of rates	Discount granted, rate not stated
FULL-LINE						
Number of establishments	78		39		31	8
Net sales (1937)	\$94,327		\$32,802		\$59,856	\$1,669
Spot cash	4,333		1,071		3,097	165
Credit 10 days or less	864		439		417	8
Credit more than 10 days	89,130		31,292		56,342	1,496
Percent of net sales						
Spot cash	4.6		3.3		5.2	9.9
Credit 10 days or less	0.9		1.3		0.7	0.5
Credit more than 10 days	94.5		95.4		94.1	89.6
Percent of credit sales discounted						
Percent of all credit sales discounted (weighted average)			58.5		53.8	66.6
SPECIALTY LINES						
Number of establishments	592	131	215	79	126	41
Net sales (1937)	\$259,070	\$31,825	\$117,648	\$24,780	\$69,942	\$14,875
Spot cash	4,640	2,221	1,293	132	571	423
Credit 10 days or less	13,285	1,065	8,968	1,256	1,636	360
Credit more than 10 days	241,145	28,539	107,387	23,392	67,735	14,092
Percent of net sales						
Spot cash	1.8	7.0	1.1	0.5	0.8	2.8
Credit 10 days or less	5.1	3.3	7.6	5.1	2.3	2.4
Credit more than 10 days	93.1	89.7	91.3	94.4	96.9	94.8
Percent of credit sales discounted						
Percent of all credit sales discounted (weighted average)			57.2	72.2	65.5	23.2
MANUFACTURERS' SALES BRANCHES						
Number of establishments	55	7	39	9		
Net sales (1937)	\$28,227	\$1,036	\$21,372	\$5,819		
Spot cash	64	--	43	21		
Credit 10 days or less	6	--	6	--		
Credit more than 10 days	28,157	1,036	21,323	5,798		
Percent of net sales						
Spot cash	0.2	--	0.2	0.4		
Credit 10 days or less	0.0	--	0.0	--		
Credit more than 10 days	99.8	100.0	99.8	99.6		
Percent of credit sales discounted						
Percent of all credit sales discounted (weighted average)			79.0	20.6		

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Full-line wholesalers selling on a two percent basis granted discounts on 58.5 percent of their 1937 credit sales. Similarly, specialty line houses selling on a two percent basis discounted 57.2 percent and manufacturers' sales branches 79.0 percent of their 1937 business.

- 0 -

The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

DRY GOODS

TABLE 1 -NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTAB- LISH- MENTS INCLUD- ED IN 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTAB- LISH- MENTS %	NET * SALES %			1937				1938		1ST QR.	2ND QR.
					1ST QR.	2ND QR.	3RD QR.	4TH QR.	1ST QR.	2ND QR.	1937 To	1937 To
					Jan. 1 Mar. 31	April 1 June 30	July 1 Sept. 30	Oct. 1 Dec. 31	Jan. 1 Mar. 31	April 1 June 30	1ST QR. 1938	2ND QR. 1938

SERVICE AND LIMITED-FUNCTION WHOLESALE

<u>UNITED STATES</u>												
	20	33	730	\$376,797	\$110,093	\$88,422	\$96,702	\$81,580	\$81,117	\$67,513	-26.3	-23.6
Dry goods (full line)	29	34	89	98,217	23,940	22,540	27,724	24,013	18,709	17,847	-21.9	-20.8
Dry goods (specialty lines)												
Notions	21	40	188	42,956	11,896	9,930	11,043	10,087	9,519	8,179	-20.0	-17.6
Piece goods	21	32	397	228,323	72,375	54,222	56,054	45,672	51,589	40,184	-23.7	-25.9
All other	11	24	56	7,301	1,882	1,730	1,881	1,808	1,300	1,303	-30.9	-24.7
<u>Geographic Divisions</u>												
Dry goods (full line)												
Middle Atlantic	23	22	15	9,993	2,211	2,476	2,587	2,719	1,663	1,846	-24.8	-25.4
East North Central	26	42	7	32,588	8,250	7,842	8,592	7,904	6,275	6,075	-23.9	-22.5
West North Central	44	18	11	11,948	2,743	2,536	3,689	2,980	2,392	2,342	-12.8	-7.7
South Atlantic	30	35	21	12,406	2,966	2,746	3,499	3,195	2,306	2,040	-22.3	-25.7
East South Central	30	44	14	9,384	2,507	1,890	2,818	2,169	1,954	1,555	-22.1	-17.7
West South Central	22	41	8	10,525	2,539	2,182	3,337	2,467	2,085	1,822	-17.9	-16.5
Other divisions	34	58	13	11,373	2,724	2,868	3,202	2,579	2,033	2,167	-25.4	-24.4
Dry goods (specialty lines)												
Notions												
Middle Atlantic	22	42	154	39,187	10,940	9,009	10,082	9,156	8,682	7,366	-20.6	-18.2
East North Central	19	25	18	1,638	417	404	434	383	338	338	-18.9	-16.3
Other divisions	14	39	16	2,131	539	517	527	548	499	475	-7.4	-8.1
Piece goods												
New England	17	17	16	3,951	1,223	886	1,006	836	912	564	-25.4	-36.3
Middle Atlantic	21	32	312	203,478	64,610	48,170	50,026	40,672	46,364	36,263	-28.2	-24.7
East North Central	22	35	21	8,483	2,725	2,144	2,041	1,573	1,626	1,248	-40.3	-41.8
South Atlantic	13	16	4	912	271	275	178	188	199	180	-26.6	-34.5
Pacific	36	44	38	9,799	3,054	2,245	2,421	2,079	2,172	1,632	-28.9	-27.3
Other divisions	19	24	6	1,700	492	502	382	324	316	297	-35.8	-40.6
All other												
Middle Atlantic	12	25	40	5,750	1,499	1,370	1,475	1,406	1,022	1,022	-31.8	-25.4
East North Central	14	24	9	704	177	168	176	183	119	119	-32.8	-29.2
Other divisions	8	22	7	847	206	192	230	219	159	162	-22.8	-15.6

MANUFACTURERS' SALES BRANCHES

Dry goods (specialty lines)	29	19	60	36,546	11,116	9,244	8,914	7,272	7,816	6,247	-29.7	-32.4
Middle Atlantic	18	13	20	21,140	6,341	5,039	5,275	4,485	4,270	3,138	-32.7	-37.7
East North Central	44	47	15	5,380	1,798	1,470	1,162	950	1,082	924	-39.8	-37.1
Pacific	36	47	12	3,817	1,002	1,136	917	762	918	976	-8.4	-14.1
Other divisions	43	57	13	6,209	1,975	1,599	1,560	1,075	1,546	1,209	-21.7	-24.4

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Cal., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

DRY GOODS

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		No. OF ESTAB- LISH- MENTS INCLUD- ED IN 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND END OF YEAR			PERCENT INCREASE 1935 to 1937		
	ESTAB- LISH- MENTS %	NET* SALES %		(add 000)			(add 000)		(add 000)			NET SALES	PAY ROLL	STOCKS
				1937	1936	1935	1937	1935	1937	1936	1935			
SERVICE AND LIMITED-FUNCTION WHOLESALEERS														
UNITED STATES	20	33	730	\$376,797	\$362,556	\$322,906	\$28,257	\$23,072	\$65,007	\$61,891	\$58,281	16.7	22.5	11.5
Dry goods (full line)	29	34	89	98,217	96,592	89,540	8,642	8,037	18,114	17,207	15,746	9.7	7.5	15.0
Dry goods (specialty lines)														
Notions	21	40	188	42,956	43,288	38,996	6,064	4,515	8,402	7,573	7,269	10.2	34.3	15.6
Piece goods	21	32	397	228,323	214,971	187,477	12,865	9,917	37,259	35,862	34,209	21.8	29.7	8.9
All other	11	24	56	7,301	7,705	6,893	686	603	1,232	1,249	1,057	5.9	13.8	16.6
Geographic Divisions														
Dry goods (full line)														
Middle Atlantic	23	22	15	9,993	9,930	8,755	970	706	1,902	1,743	1,720	14.1	37.4	10.6
East North Central	26	42	7	32,588	31,471	29,517	2,847	2,785	4,613	4,497	4,053	10.4	2.2	13.8
West North Central	44	18	11	11,948	11,839	11,683	1,140	1,114	2,251	2,008	2,020	2.3	2.3	11.4
South Atlantic	30	35	21	12,406	12,582	11,035	1,153	1,058	2,656	2,376	2,099	12.4	9.0	26.5
East South Central	30	44	14	9,384	9,582	9,705	884	799	1,781	1,832	2,035	-3.3	10.6	-12.5
West South Central	22	41	8	10,525	10,335	8,992	780	767	2,013	2,427	1,598	17.0	1.7	26.0
Other divisions	34	58	13	11,373	10,853	9,853	868	808	2,898	2,324	2,221	15.4	7.4	30.5
Dry goods (specialty lines)														
Notions														
Middle Atlantic	22	42	154	39,187	39,688	35,585	5,610	4,105	7,633	6,860	6,564	10.1	36.7	16.3
East North Central	19	25	18	1,638	1,555	1,329	161	125	288	255	210	23.3	28.8	37.1
Other divisions	14	39	16	2,131	2,045	2,082	293	285	481	458	495	2.4	2.8	-2.8
Piece goods														
New England	17	17	16	3,951	3,392	2,798	160	133	496	400	334	41.2	20.3	48.5
Middle Atlantic	21	32	312	203,478	190,836	166,220	11,112	8,651	33,406	31,792	31,019	22.4	28.4	7.7
East North Central	22	35	21	8,483	8,195	7,170	577	377	1,140	1,293	876	18.3	53.1	30.1
South Atlantic	13	16	4	912	855	709	43	47	300	227	220	28.6	-8.5	36.4
Pacific	36	44	38	9,799	9,987	9,113	830	591	1,621	1,789	1,473	7.5	40.4	10.0
Other divisions	19	24	6	1,700	1,706	1,467	143	118	296	361	287	15.9	21.2	3.1
All other														
Middle Atlantic	12	25	40	5,750	6,144	5,444	472	418	882	932	736	5.6	12.9	19.8
East North Central	14	24	9	704	712	635	93	81	114	110	108	10.9	14.8	5.6
Other divisions	8	22	7	847	849	814	121	104	236	207	213	4.1	16.3	10.8
MANUFACTURERS' SALES BRANCHES (with stocks)														
Dry goods (specialty lines)	29	19	60	36,546	37,525	34,987	2,714	2,396	6,448	5,192	4,915	4.5	13.3	31.2
Middle Atlantic	18	13	20	21,140	21,785	20,169	1,793	1,555	4,399	3,766	3,542	4.8	15.3	24.2
East North Central	44	47	15	5,380	5,547	4,932	300	290	665	385	372	9.1	3.4	78.8
Pacific	36	47	12	3,817	3,622	3,887	220	181	719	623	591	-1.8	21.5	21.7
Other divisions	43	57	13	6,209	6,571	5,999	401	370	665	418	410	3.5	8.4	62.2

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

States Comprising Geographic Divisions:

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WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Cal., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

DRY GOODS

WHOLESALE DISTRIBUTION

TABLE 3.--SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALEERS									
UNITED STATES	3,607	730	20	\$985,400	\$322,906	33	\$65,428	\$23,072	35
Dry goods (full line)	306	89	29	265,724	89,540	34	22,030	8,037	36
Dry goods (specialty lines)									
Notions	915	188	21	96,778	38,996	40	10,387	4,515	43
Piece goods	1,873	397	21	593,867	187,477	32	30,393	9,917	33
All other	513	56	11	29,031	6,893	24	2,618	603	23
Geographic Divisions									
Dry goods (full line)									
Middle Atlantic	64	15	23	39,084	8,755	22	2,967	706	24
East North Central	27	7	26	70,764	29,517	42	6,319	2,785	44
West North Central	25	11	44	63,380	11,683	18	4,954	1,114	22
South Atlantic	69	21	30	31,391	11,035	35	2,686	1,058	39
East South Central	47	14	30	22,195	9,705	44	1,730	799	46
West South Central	36	8	22	22,008	8,992	41	1,947	767	39
Other divisions	38	13	34	16,902	9,853	58	1,427	808	57
Dry goods (specialty lines)									
Notions 1/									
Middle Atlantic	691	154	22	85,715	35,585	42	9,234	4,105	44
East North Central	97	18	19	5,375	1,329	25	487	125	26
Other divisions	113	16	14	5,357	2,082	39	633	285	45
Piece goods									
New England	93	16	17	16,392	2,798	17	828	133	16
Middle Atlantic	1,514	312	21	525,907	166,220	32	26,638	8,651	32
East North Central	97	21	22	20,343	7,170	35	1,075	377	35
South Atlantic	31	4	13	4,444	709	16	245	47	19
Pacific	106	38	36	20,726	9,113	44	1,171	591	50
Other divisions	32	6	19	6,055	1,467	24	436	118	27
All other 1/									
Middle Atlantic	336	40	12	21,612	5,444	25	1,814	418	23
East North Central	63	9	14	2,637	635	24	338	81	24
Other divisions	89	7	8	3,647	814	22	371	104	28
MANUFACTURERS' SALES BRANCHES (with stocks)									
Dry goods (specialty lines)	208	60	29	180,322	34,987	19	10,207	2,396	23
Middle Atlantic	111	20	18	151,023	20,169	13	8,663	1,555	18
East North Central	34	15	44	10,473	4,932	47	559	290	52
Pacific	33	12	36	8,254	3,887	47	480	181	38
Other divisions	30	13	43	10,572	5,999	57	505	370	73

* Pay roll includes compensation of full time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 Figures for geographic divisions not represented in this survey are omitted.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

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WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

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WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

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BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

ELECTRICAL GOODS

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DECEMBER, 1938

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CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

ELECTRICAL GOODS

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of identical establishments -- service wholesalers and manufacturers' sales branches -- selling electrical goods at wholesale for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in the size of establishment, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of wholesale trade, but rather to provide a reliable indicator of trend since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones since 1935 being omitted. Those with sales of less than \$25,000 for the year 1935 were likewise omitted, as they constitute but a small proportion of total sales. Reporting was purely on a voluntary basis with only one reminder follow-up; hence, not all wholesalers who were contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling electrical goods at wholesale during the year 1935 and which still operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935, respectively. Below is a comparison of the number of service wholesalers engaged primarily in selling electrical goods, together with their sales, pay roll and stocks on hand at the end of the year:

	Establishments (Service whole- salers)	Net Sales	Pay Roll	Stocks (end of year)
1929 Census	2,182	\$846,689,000	\$70,682,000	\$95,899,000
1933 Census	2,125	\$275,839,000	\$30,876,000	\$44,266,000
1935 Census	2,438	\$576,542,000	\$52,495,000	\$75,424,000
Percent change, all establishments:				
1929 to 1933	- 2.6	- 67.4	-56.3	-53.8
1933 to 1935	+14.7	+109.0	+70.0	+70.4
Identical establishments in this Survey:				
1935	596	\$257,005,000	\$21,868,000	\$24,346,000
1936	596	\$344,364,000	not available	\$32,548,000
1937	596	\$427,425,000	\$33,717,000	\$40,464,000
Percent change, identical establishments:				
1935 to 1937		+66.3	+54.2	+66.2

81 Percent Gain for Sales Branches

In addition to the 596 service wholesalers, 215 sales branches owned by manufacturers of electrical goods and operated primarily for the disposal of their products are included in this Survey. A comparison of the sales, pay roll and inventories of these identical branches for the years 1935, 1936 and 1937 is given below:

	Identical sales branches	Net Sales	Pay Roll	Stocks (end of year)
1935	215	\$313,815,000	\$14,904,000	\$16,923,000
1936	215	\$447,576,000	not available	\$23,707,000
1937	215	\$567,688,000	\$18,174,000	\$27,986,000
Percent change, identical branches:				
1935 to 1937		+80.9	+21.9	+65.4

The 215 sales branches included in this Survey represented 50 percent of the number and accounted for 90 percent of the sales of all branches in 1935.

Table 3, attached, measures the size of the sample (service wholesalers and manufacturers' sales branches) included in this Survey, in terms of 1935 totals. In this table the number of establishments included, together with their 1935 sales and pay roll, is compared by geographic divisions with the totals in the 1935 Census. Service wholesalers are subdivided into those selling a more or less full-line of electrical goods (including wiring supplies and construction material establishments); apparatus and equipment houses; and those engaged primarily in selling radios, refrigerators and other appliances. For convenience in using the information the percent sample, establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and inventories for the years 1935, 1936 and 1937, and pay roll for the years 1935 and 1937.

Quarterly Sales, 1937 and First Half of 1938

A measure of the short term trend in electrical wholesaling is given in Table 1 in terms of quarterly sales, service wholesalers and manufacturers' sales branches separately, for 1937 and the first half of 1938. Percentage changes (without adjustments for seasonal variation) in quarterly sales for the United States as a whole are shown below:

Period	Service wholesalers selling principally---				Mfr's. Sales Branches
	Total	Elec- trical Full- line	Apparatus and Equipment	Radios, Refrigera- tors, Appliances	
Number of establishments reporting	596	405	23	168	215
Percent increase (+) or decrease (-) in sales					
1st Qr. to 2nd Qr. 1937	+35.2	+29.6	+22.7	+46.1	- 0.3
2nd Qr. to 3rd Qr. 1937	-22.4	-13.3	- 2.5	-37.8	-13.9
3rd Qr. to 4th Qr. 1937	-12.6	- 5.0	-22.0	-29.2	-12.3
4th Qr. 1937 to 1st Qr. 1938	-20.3	-28.9	-15.7	+ 5.6	- 8.4
1st Qr. 1938 to 2nd Qr. 1938	+14.7	+14.2	-11.0	+17.1	-10.4
1st Qr. 1937 to 1st Qr. 1938	-26.8	-24.1	-21.3	-32.0	-31.0
2nd Qr. 1937 to 2nd Qr. 1938	-37.9	-33.1	-42.9	-45.6	-38.0

SIZE OF ESTABLISHMENT
(Service Wholesalers Only)

The 596 service wholesalers included in the report are classified according to kinds of goods handled as follows: 405 full-line houses, 23 apparatus and equipment wholesalers and 168 specialize in radios, refrigerators and other appliances. Establishments in each of the three classifications are grouped according to 1935 size in Table A, below, where they are compared with all wholesale merchants for that year. For each size group the percent sample, establishments and sales, of those included in this Survey is given.

As might be expected, a greater percentage of the larger establishments than of the smaller ones reported for this Survey. The sample for full-line houses is largest in the million-and-over bracket, where 38 of 45 (or 84%) of the establishments are included, and decreases with size until in the under \$100,000 group only 96 of 569 (or 17%) are found. For apparatus and equipment wholesalers the sample of establishments decreases from 27 percent in the \$200,000 and over group to 9 percent for the under \$100,000 class and for houses specializing in appliances it drops from 43 percent in the million-and-over bracket to 7 percent for those under \$100,000.

TABLE A. --ANALYSIS OF SAMPLE BY SIZE OF ESTABLISHMENT

Size of Establishment (Net sales in 1935)	Number of establishments		Net sales-1935		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales

ELECTRICAL GOODS (full-line)

Total	1,144	405	\$259,031,000	\$163,910,000	35	63
\$1,000,000 and over	45	38	(x)	62,336,000	84	(x)
\$500,000 - \$999,999	79	58	(x)	40,888,000	73	(x)
\$300,000 - \$399,999	128	75	48,824,000	28,370,000	59	58
\$200,000 - \$299,999	111	54	27,272,000	13,709,000	49	50
\$100,000 - \$199,999	212	84	30,758,000	12,525,000	40	41
Under \$100,000	569	96	15,478,000	6,082,000	17	39

APPARATUS AND EQUIPMENT

Total	195	23	15,155,000	4,300,000	12	28
\$200,000 and over	15	4	(x)	2,718,000	27	(x)
\$100,000 - \$199,999	24	5	3,305,000	673,000	21	20
Under \$100,000	156	14	(x)	909,000	9	(x)

RADIOS, REFRIGERATORS AND OTHER APPLIANCES

Total	1,058	168	284,328,000	88,795,000	16	31
\$1,000,000 and over	51	22	138,632,000	48,682,000	43	35
\$500,000 - \$999,999	78	23	55,255,000	17,003,000	29	31
\$300,000 - \$499,999	83	28	32,382,000	11,151,000	34	34
\$200,000 - \$299,999	77	23	18,682,000	5,681,000	30	30
\$100,000 - \$199,999	138	26	19,903,000	3,752,000	19	19
Under \$100,000	631	46	19,474,000	2,526,000	7	13

(x) Withheld to avoid disclosure.

Increases by Size, 1937 over 1935

Percentage increases between 1935 and 1937 in sales, pay roll and stocks are shown in Table B, Page 4, by size of establishment. It is interesting to note that gains are fairly uniform for all size brackets. In general the smaller houses show slightly larger than average increases in sales from 1935 to 1937. This trend, however, may be due in part to the method of sampling, as only those establishments operating continuously as electrical wholesalers in the same general location since January 1, 1935, are included.

TABLE B.-INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks
ELECTRICAL GOODS (full-line)				
Total	405	72.3	64.7	60.5
\$1,000,000 and over	38	62.5	64.6	56.6
\$500,000 - \$999,999	58	77.9	65.1	70.0
\$300,000 - \$499,999	75	67.6	57.1	57.9
\$200,000 - \$299,999	54	76.5	61.1	54.2
\$100,000 - \$199,999	84	104.1	89.4	73.5
Under \$100,000	96	82.4	56.3	40.0
APPARATUS AND EQUIPMENT				
Total	23	69.0	53.7	40.4
\$200,000 and over	4	73.6	48.6	21.5
\$100,000 - \$199,999	5	40.4	80.6	89.5
Under \$100,000	14	76.3	44.1	25.2
RADIOS, REFRIGERATORS AND OTHER APPLIANCES				
Total	168	55.1	38.2	83.0
\$1,000,000 and over	22	62.0	36.7	109.0
\$500,000 - \$999,999	23	47.3	41.2	83.5
\$300,000 - \$499,999	28	45.0	35.5	78.7
\$200,000 - \$299,999	23	32.2	35.5	33.5
\$100,000 - \$199,999	26	53.5	40.3	39.2
Under \$100,000	46	71.9	52.8	73.6

Changes from one size bracket to another, 1935 to 1937, are shown in Table C for full-line wholesalers and for houses specializing in appliances. In keeping with the general increase in business, the trend was from the lower to the upper brackets. For example, in the full-line trade 85 of the 405 houses studied were in the million-and-over bracket in 1937 as compared with only 38 in 1935. Of the 168 appliance wholesalers 35 reported sales of over \$1,000,000 in 1937 while only 22 were in this class in 1935. More than one half (259 of 405) of the full-line houses moved up at least one size bracket.

TABLE C.-NUMBER OF SERVICE WHOLESALEERS BY SIZE CLASSIFICATION, 1935 AND 1937

Size of establishment (based on net sales)	Total establishments 1935	(1)	(2)	(3)	(4)	(5)	(6)
ELECTRICAL GOODS (<i>full-line</i>)							
Total establishments, 1937	405	85	85	81	41	70	43
\$1,000,000 and over in 1935	38	38					
\$500,000 - \$999,999 in 1935	58	43	14	1			
\$300,000 - \$499,999 in 1935	75	4	49	21	1		
\$200,000 - \$299,999 in 1935	54		14	35	5		
\$100,000 - \$199,999 in 1935	84		8	23	29	23	1
Under \$100,000 in 1935	96			1	6	47	42
RADIOS, REFRIGERATORS AND OTHER APPLIANCES							
Total establishments, 1937	168	35	27	28	16	35	27
\$1,000,000 and over in 1935	22	21	1				
\$500,000 - \$999,999 in 1935	23	11	12				
\$300,000 - \$499,999 in 1935	28	3	11	13	1		
\$200,000 - \$299,999 in 1935	23		2	12	5	3	1
\$100,000 - \$199,999 in 1935	26		1	3	9	13	
Under \$100,000 in 1935	46				1	19	26

- (1) \$1,000,000 and over in 1937
 (2) \$500,000 - \$999,999 in 1937
 (3) \$300,000 - \$499,999 in 1937

- (4) \$200,000 - \$299,999 in 1937
 (5) \$100,000 - \$199,999 in 1937
 (6) Under \$100,000 in 1937

TERMS OF SALE

(Service Wholesalers and Manufacturers' Sales Branches)

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot-cash" business; credit sales for 10 days or less and credit of more than ten days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. Of the total 567 service wholesalers and 172 manufacturers' sales branches supplied this information.

Credit Period and Rate of Discount

Table D classifies 396 full-line houses, 22 apparatus and equipment wholesalers, 149 appliance establishments, and 172 manufacturers' sales branches according to their usual credit periods and cash discount rates. It should be noted that these are the usual terms for the establishments, and that either or both the credit period and the rate of discount may vary with the commodity sold or with the customer. Also the classification as given here represents the policy of the house from which practice may vary. Thirty days is the usual credit period in the electrical trade although 60 days was reported by 31 full-line houses and by 5 appliance establishments. A number of establishments stated that they extended credit but failed to report the period.

A cash discount of 2 percent is customarily granted for prompt payment of bills, however, some houses bill net or grant only 1 percent. A number of service wholesalers vary their rates according to customers or lines of merchandise. The most common method of billing is 2/10, net 30 or net 10th proximo.

TABLE D. --ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of estab- lishments	Usual discount rate					
		Net*	1%	2%	Other rates	Combina- tion of rates**	Discount granted, rate not stated
ELECTRICAL GOODS (full-line)							
Total establishments	396	<u>4</u>	--	<u>1/306</u>	--	<u>51</u>	<u>35</u>
30 days	254	3	--	197	--	33	21
60 days	31	--	--	26	--	5	--
Other periods	9	--	--	1	--	4	4
Periods not stated	102	1	--	82	--	9	10
APPARATUS AND EQUIPMENT							
Total establishments	<u>22</u>	<u>7</u>	--	<u>2/9</u>	<u>3</u>	--	<u>3</u>
30 days	22	7	--	9	3	--	3
RADIOS, REFRIGERATORS AND OTHER APPLIANCES							
Total establishments	<u>149</u>	<u>40</u>	<u>3/6</u>	<u>4/81</u>	--	<u>8</u>	<u>14</u>
Cash	6	6	--	--	--	--	--
30 days	56	11	5	37	--	--	3
60 days	5	--	--	5	--	--	--
Combination of periods***	6	1	--	--	--	3	2
Periods not stated	76	22	1	39	--	5	9
MANUFACTURERS' SALES BRANCHES							
Total	<u>172</u>	<u>54</u>	<u>5/11</u>	<u>6/75</u>	--	--	<u>32</u>
30 days	96	36	11	49	--	--	--
Periods not stated	76	18	--	26	--	--	32

* Cash discount not usually granted.

** Rate differs with commodity and customer; no single rate predominating.

*** Period varies with commodity and customer.

- 1/ 219 establishments reported their discount period as 10 days; 85 as 10th proximo; 2 as 30 days.
2/ All establishments reported their discount period as 10 days.
3/ All establishments reported their discount period as 10 days.
4/ 39 establishments reported their discount period as 10 days; 42 as 10th proximo.
5/ 7 establishments reported their discount period as 10 days; 4 as 10th proximo.
6/ 47 establishments reported their discount period as 10 days; 14 as 10th proximo; 14 as 45 days.

Cash vs. Credit Sales

The cash-credit division of 1937 sales is given in Table E. Selling on credit for a period of more than 10 days is the predominate practice in the electrical trade. Eighty percent of the business of full-line houses is on this basis; 94.6 percent for apparatus and equipment distributors; 54.2 percent for appliance wholesalers and 96.5 percent of the sales of manufacturers' sales branches. "Spot cash" sales are important only in the appliance business where they account for 30.1 percent of the total. Full-line houses show the largest percentage of credit for 10 days or less, 16.7, followed by appliance wholesalers with 15.7. Only a negligible portion of the business of apparatus and equipment distributors and manufacturers' sales branches are on this basis.

TABLE E. --CASH-CREDIT ANALYSIS OF SALES

(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Usual rate of discount					
		Net	1%	2%	Other rates (3-5 etc.)	Combina- tion of rates	Discount granted, rate not stated
ELECTRICAL GOODS (full-line)							
Number of establishments	396	4	--	306	--	51	35
Net sales, 1937 (add 000)	\$277,436	\$499	--	\$196,998	--	\$55,826	\$24,113
Spot cash	9,059	69	--	7,577	--	43	1,370
Credit 10 days or less	46,387	1	--	36,586	--	3,164	6,636
Credit more than 10 days	221,990	429	--	152,835	--	52,619	16,107
Percent of net sales							
Spot cash	3.3	13.8	--	3.8	--	0.0	5.7
Credit 10 days or less	16.7	0.2	--	18.6	--	5.7	27.5
Credit more than 10 days	80.0	86.0	--	77.6	--	94.3	66.8
	Percent of credit sales discounted						
Percent of all credit sales discounted (weighted average)			--	53.8	--	65.6	46.8
APPARATUS AND EQUIPMENT							
Number of establishments	22	7	--	9	3	--	3
Net sales, 1937 (add 000)	\$6,668	\$867	--	\$1,057	\$932	--	\$3,812
Spot cash	199	14	--	119	2	--	64
Credit 10 days or less	160	--	--	155	--	--	5
Credit more than 10 days	6,309	853	--	783	930	--	3,743
Percent of net sales							
Spot cash	3.0	1.6	--	11.2	0.2	--	1.7
Credit 10 days or less	2.4	--	--	14.7	--	--	0.1
Credit more than 10 days	94.6	98.4	--	74.1	99.8	--	98.2
	Percent of credit sales discounted						
Percent of all credit sales discounted (weighted average)			--	30.0	99.8	--	5.7

TABLE E.--CASH-CREDIT ANALYSIS OF SALES (Continued)
(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Usual rate of discount						Discount granted, rate not stated
		Net	1%	2%	Other rates (3-5 etc.)	Combina- tion of rates		
RADIOS, REFRIGERATORS AND OTHER APPLIANCES								
Number of establishments	149	40	6	81	--	8	14	
Net Sales, 1937 (add 000)	\$125,021	\$82,333	\$6,109	\$24,321	--	\$3,343	\$8,915	
Spot cash	37,687	33,246	297	3,160	--	99	885	
Credit 10 days or less	19,613	12,524	812	5,718	--	44	515	
Credit more than 10 days	67,721	36,563	5,000	15,443	--	3,200	7,515	
Percent of net sales								
Spot cash	30.1	40.4	4.9	13.0	--	3.0	9.9	
Credit 10 days or less	15.7	15.2	13.3	23.5	--	1.3	5.8	
Credit more than 10 days	54.2	44.4	81.8	63.5	--	95.7	84.3	
	Percent of credit sales discounted							
Percent of all credit sales discounted (weighted average)			16.0	47.0	--	79.3	31.5	
MANUFACTURERS' SALES BRANCHES								
Number of establishments	172	54	11	75	--	--	32	
Net sales, 1937 (add 000)	\$406,303	\$159,851	\$1,740	\$75,939	--	--	\$168,773	
Spot cash	2,281	1,690	--	196	--	--	395	
Credit 10 days or less	11,785	1,603	--	10,172	--	--	10	
Credit more than 10 days	392,237	156,558	1,740	65,571	--	--	168,368	
Percent of net sales								
Spot cash	0.6	1.1	--	0.3	--	--	0.2	
Credit 10 days or less	2.9	1.0	--	13.4	--	--	--	
Credit more than 10 days	96.5	97.9	100.0	86.3	--	--	99.8	
	Percent of credit sales discounted							
Percent of all credit sales discounted (weighted average)			61.6	26.9	--	--	1.2	

Credit Sales Discounted

The extent to which customers take advantage of cash discounts when allowed is also shown in Table E. Full-line houses allowing 2 percent for early payment of time sales discounted 53.8 percent of their 1937 credit sales. Similarly, apparatus and equipment distributors granting 2 percent discounted 30.0 percent of their sales; appliance wholesalers 47.0 percent of their business; and manufacturers' sales branches granting 2 percent discounted 26.9 percent of their sales.

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The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

ELECTRICAL GOODS

WHOLESALE DISTRIBUTION

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	SAMPLE BASED ON 1935 CENSUS		No. OF ESTAB- LISH- MENTS REPORT- ING 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE			
	ESTAB- LISH- MENTS %	* NET SALES %			1937				1938		1ST Q.R.	2ND Q.R.		
					1ST Q.R. JAN. 1 MAR. 31	2ND Q.R. APRIL 1 JUNE 30	3RD Q.R. JULY 1 SEPT. 30	4TH Q.R. OCT. 1 DEC. 31	1ST Q.R. JAN. 1 MAR. 31	2ND Q.R. APRIL 1 JUNE 30	1937 To 1938	1937 To 1938		
SERVICE WHOLESALEERS														
UNITED STATES	25	45	596	\$427,425	\$98,933	\$133,798	\$103,891	\$90,803	\$72,405	\$83,023			-26.8	-37.9
Electrical goods (full line) 1/ Apparatus and equipment	35	63	405	282,464	62,957	81,612	70,724	67,171	47,778	54,560			-24.1	-33.1
Radios, refrigerator and appliances	13	22	23	7,266	1,668	2,046	1,995	1,557	1,813	1,169			-21.3	-42.9
	15	30	168	137,695	34,308	50,140	31,172	22,075	23,314	27,294			-32.0	-45.6
Electrical goods (full line) 1/ New England	33	68	39	21,123	4,793	5,883	5,203	5,244	3,255	4,122			-32.1	-29.9
Middle Atlantic	27	53	103	61,882	13,659	17,207	15,446	15,570	10,236	11,316			-25.1	-34.2
East North Central	34	62	75	70,241	15,546	20,155	17,870	16,670	11,490	12,158			-26.1	-39.7
West North Central	51	72	42	29,673	6,136	8,509	7,939	7,089	5,463	7,176			-11.0	-15.7
South Atlantic	46	61	50	28,334	6,635	8,547	6,972	6,180	4,532	5,498			-31.7	-35.7
East South Central	47	55	14	8,545	1,945	2,509	2,212	1,879	1,518	1,633			-22.0	-34.9
West South Central	43	62	23	16,484	3,621	5,249	4,062	3,552	3,160	3,672			-12.7	-30.0
Mountain	40	85	12	8,743	2,068	2,640	2,054	1,981	1,544	1,813			-25.3	-31.3
Pacific	36	71	47	37,439	8,554	10,913	8,966	9,006	6,580	7,172			-23.1	-34.3
Apparatus and equipment														
Middle Atlantic	12	23	8	4,359	964	1,272	1,271	852	733	739			-24.0	-41.9
East North Central	11	21	6	1,752	449	469	419	415	343	213			-23.6	-54.6
Pacific	17	21	4	522	109	144	141	128	100	83			-8.3	-42.4
Other divisions	16	18	5	633	146	161	164	162	137	134			-6.2	-16.8
Radios, refrigerator and appliances														
New England	14	48	10	9,325	2,549	3,278	2,109	1,389	1,299	1,929			-49.0	-41.2
Middle Atlantic	13	13	36	21,675	4,635	7,495	5,551	3,994	3,335	4,402			-28.0	-41.3
East North Central	17	50	46	59,463	15,785	23,034	12,124	8,520	9,909	10,598			-37.2	-54.0
West North Central	8	28	9	9,885	2,746	3,578	2,123	1,438	1,837	2,190			-33.1	-38.8
South Atlantic	14	37	15	11,043	2,642	3,959	2,601	1,841	1,978	2,204			-25.1	-44.3
East South Central	19	26	6	3,923	887	1,506	917	613	821	872			-7.4	-42.1
West South Central	25	35	14	8,618	1,977	3,216	2,142	1,283	1,715	2,066			-13.3	-35.8
Mountain	11	24	3	1,726	434	598	441	253	302	414			-30.4	-30.8
Pacific	19	35	29	12,037	2,653	3,476	3,164	2,744	2,118	2,619			-20.2	-24.7
MANUFACTURERS' SALES BRANCHES														
UNITED STATES	50	90	215	567,688	157,337	156,874	135,026	118,451	108,486	97,235			-31.0	-38.0
Electrical goods														
New England	50	95	14	40,795	11,008	11,044	9,769	8,974	8,034	6,392			-27.0	-42.1
Middle Atlantic	53	92	47	164,055	45,906	47,195	38,128	32,826	32,602	29,316			-29.0	-37.9
East North Central	50	83	55	159,665	46,735	44,260	36,460	32,210	25,868	23,494			-44.7	-46.9
West North Central	60	95	26	50,970	13,039	14,177	13,046	10,708	10,526	9,679			-19.3	-31.7
South Atlantic	45	98	20	49,309	13,477	12,138	10,966	12,728	7,825	9,475			-41.9	-21.9
West South Central	45	81	13	24,169	6,936	6,111	5,868	5,254	4,524	4,825			-34.8	-21.0
Pacific	48	89	30	58,271	15,302	16,880	13,851	12,238	14,916	10,919			-2.5	-35.3
Other divisions	43	96	10	20,454	4,934	5,069	6,938	3,513	4,191	3,135			-15.1	-38.2

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

1/ Includes houses formerly classified as "Wiring supplies and construction materials".

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

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WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

ELECTRICAL GOODS

TABLE 2. SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	SAMPLE BASED ON 1935 CENSUS		NO. OF ESTAB- LISH MENTS REPORT- ING 1937-38 SURVEY	NET SALES (add 000)			PAY ROLL** (add 000)		STOCKS ON HAND END OF YEAR (add 000)			PERCENT INCREASE 1935 to 1937		
	ESTAB- LISH- MENTS %	* NET SALES %		1937	1936	1935	1937	1935	1937	1936	1935	NET SALES	PAY ROLL	STOCKS
SERVICE WHOLESALEERS														
UNITED STATES	25	45	596	\$427,425	\$344,364	\$257,005	\$33,717	\$21,868	\$40,464	\$32,548	\$24,346	66.3	54.2	66.2
Electrical goods (full line) 1/	35	63	405	282,464	221,165	163,910	21,083	12,798	27,697	23,660	17,255	72.3	64.7	60.5
Apparatus and equipment	13	22	23	7,266	5,791	4,300	1,007	655	688	604	490	69.0	53.7	40.4
Radios, refrigerators and appliances	15	30	168	137,695	117,408	88,795	11,627	8,415	12,079	8,284	6,601	55.1	38.2	83.0
Electrical goods (full line) 1/	33	68	39	21,123	17,553	14,053	1,574	1,099	2,155	1,918	1,721	50.3	43.2	25.2
New England	27	53	103	61,882	49,911	37,054	5,002	3,210	5,511	5,058	3,723	67.0	55.8	48.0
Middle Atlantic	34	62	75	70,241	52,301	36,789	5,116	2,801	6,255	4,985	3,502	90.9	82.6	78.6
East North Central	51	72	42	29,673	22,850	18,058	2,202	1,504	2,910	2,660	1,842	64.3	46.4	58.0
West North Central	46	61	50	28,334	22,314	16,908	2,128	1,220	3,013	2,473	1,787	67.6	74.4	68.6
South Atlantic	47	55	14	8,545	5,684	3,407	465	165	831	693	421	150.8	181.8	97.4
East South Central	43	62	23	16,484	11,917	7,524	1,033	544	1,673	1,267	911	119.1	89.9	33.6
West South Central	40	85	12	8,743	6,958	5,531	575	389	805	735	559	58.1	47.8	44.0
Mountain	36	71	47	37,439	31,677	24,586	2,988	1,866	4,544	3,871	2,739	52.3	60.1	62.9
Pacific														
Apparatus and equipment	12	23	8	4,359	3,456	2,630	374	298	314	296	255	65.7	25.5	23.1
Middle Atlantic	11	21	6	1,752	1,406	1,059	444	230	204	162	100	65.4	93.0	104.0
East North Central	17	21	4	522	452	286	94	67	102	93	82	82.5	40.3	24.4
Pacific	16	18	5	633	477	325	95	60	68	53	53	94.8	58.3	28.3
Other divisions														
Radios, refrigerators and appliances	14	48	10	9,325	8,211	6,184	773	594	754	418	453	50.8	30.1	66.4
New England	13	13	36	21,675	18,453	14,665	2,593	1,793	2,293	1,798	1,397	47.3	44.6	64.1
Middle Atlantic	17	50	46	59,463	45,782	32,999	4,117	2,856	2,565	1,505	1,378	80.2	44.2	86.1
East North Central	8	28	9	9,885	9,581	6,896	926	743	1,366	1,013	724	43.3	24.6	88.7
West North Central	14	37	15	11,043	10,233	8,886	881	822	1,293	914	785	24.3	7.2	64.7
South Atlantic	19	26	6	3,923	3,158	1,628	288	136	352	223	173	141.0	111.8	109.2
East South Central	25	35	14	8,618	7,710	5,598	703	472	1,157	837	622	53.9	48.9	86.0
West South Central	11	24	3	1,726	1,521	1,252	181	130	258	167	187	37.9	39.2	38.0
Mountain	19	35	29	12,037	12,759	10,687	1,165	869	2,031	1,409	882	12.6	34.1	130.3
Pacific														
MANUFACTURERS' SALES BRANCHES														
UNITED STATES	50	90	215	\$567,688	\$447,576	\$313,815	\$18,174	\$14,904	\$27,986	\$23,707	\$16,923	80.9	21.9	65.4
Electrical goods	50	95	14	40,795	32,294	24,437	1,274	1,040	1,533	1,298	933	66.9	22.5	75.0
New England	53	92	47	164,055	126,906	102,003	5,575	4,629	6,929	5,850	4,222	60.8	20.4	64.1
Middle Atlantic	50	83	55	159,665	120,279	83,269	5,407	4,635	6,882	6,107	3,996	91.7	16.7	72.2
East North Central	60	95	26	50,970	46,964	28,547	1,519	1,213	2,547	2,172	1,603	78.5	25.2	58.9
West North Central	45	98	20	49,309	41,779	23,838	1,186	917	2,881	2,092	1,588	106.9	29.3	81.4
South Atlantic	45	81	13	24,169	16,069	9,699	662	415	1,345	1,172	1,081	149.2	59.5	24.4
East South Central	48	89	30	58,271	48,567	30,827	2,085	1,735	4,701	4,022	2,820	89.0	20.2	66.7
West South Central	43	96	10	20,454	14,718	11,195	466	320	1,068	994	680	82.7	45.6	57.1
Mountain														
Pacific														
Other divisions														

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of both full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ Includes houses formerly classified as "Wiring supplies and construction materials".

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

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MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

ELECTRICAL GOODS

WHOLESALE DISTRIBUTION

TABLE 3.--SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE WHOLESALERS									
<u>UNITED STATES</u> <u>1/</u>	2,417	596	25	\$575,256	\$257,005	45	\$52,259	\$21,868	42
Electrical goods (full line) <u>2/</u>	1,153	405	35	261,092	163,910	63	23,139	12,798	55
Apparatus and equipment <u>1/</u>	178	23	13	19,645	4,300	22	2,407	655	27
Radios, refrigerators and appliances	1,086	168	15	294,519	88,795	30	26,713	8,415	32
Electrical goods (full line) <u>2/</u>									
New England	117	39	33	20,679	14,053	68	1,820	1,099	60
Middle Atlantic	383	103	27	69,501	37,054	53	6,594	3,210	49
East North Central	219	75	34	59,055	36,789	62	5,270	2,801	53
West North Central	83	42	51	24,919	18,058	72	2,181	1,504	69
South Atlantic	108	50	46	27,512	16,908	61	2,287	1,220	53
East South Central	30	14	47	6,216	3,407	55	397	165	42
West South Central	54	23	43	12,214	7,524	62	1,094	544	50
Mountain	30	12	40	6,480	5,531	85	509	389	76
Pacific	129	47	36	34,516	24,586	71	2,987	1,866	62
Apparatus and equipment									
Middle Atlantic	69	8	12	11,471	2,630	23	1,003	298	30
East North Central	53	6	11	5,000	1,059	21	862	230	27
Pacific	24	4	17	1,335	286	21	211	67	32
Other divisions	32	5	16	1,839	325	18	331	60	18
Radios, refrigerators and appliances									
New England	69	10	14	12,784	6,184	48	1,293	594	46
Middle Atlantic	277	36	13	110,323	14,665	13	9,637	1,793	19
East North Central	263	46	17	65,345	32,999	50	6,026	2,856	47
West North Central	106	9	8	24,485	6,896	28	2,408	743	31
South Atlantic	106	15	14	23,950	8,886	37	2,341	822	35
East South Central	31	6	19	6,340	1,628	26	628	136	22
West South Central	57	14	25	15,942	5,598	35	1,375	472	34
Mountain	27	3	11	5,182	1,252	24	494	130	26
Pacific	150	29	19	30,168	10,687	35	2,511	869	35
MANUFACTURERS' SALES BRANCHES									
<u>UNITED STATES</u>	428	215	50	349,819	313,815	90	17,676	14,904	84
Electrical goods									
New England	28	14	50	25,636	24,437	95	1,252	1,040	83
Middle Atlantic	88	47	53	110,516	102,003	92	5,653	4,629	82
East North Central	111	55	50	100,929	83,269	83	5,504	4,635	84
West North Central	43	26	60	30,194	28,547	95	1,324	1,213	92
South Atlantic	44	20	45	24,227	23,838	98	1,013	917	91
West South Central	29	13	45	12,010	9,699	81	584	415	71
Pacific	62	30	48	34,651	30,827	89	1,966	1,735	88
Other divisions	23	10	43	11,656	11,195	96	380	320	84

* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 Figures for 21 apparatus and equipment wholesalers in two geographic divisions not represented in this survey are omitted.2/ Includes houses formerly classified as "Wiring supplies and construction materials".

States Comprising Geographic Divisions:

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MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

UNITED STATES DEPARTMENT OF COMMERCE

Daniel C. Roper, Secretary

BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

FRUITS AND VEGETABLES (fresh)

BUREAU OF THE CENSUS
LIBRARY



DECEMBER, 1938

LIBRARY
MUSEUM OF THE
SMITHSONIAN INSTITUTION

CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

FRUITS AND VEGETABLES (fresh)

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 1,005 identical distributors -- 904 wholesalers and 101 commission merchants -- of fresh fruits and vegetables for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of merchandise on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of the wholesale fruit and vegetable business, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones since 1935 being omitted. Those with sales less than \$25,000 for the year 1935 were likewise omitted, as they account for but a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow up; hence, not all establishments contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling fresh fruits and vegetables at wholesale during the year 1935 and which still operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935, respectively. Below is a comparison of the number of establishments, service and limited-function wholesalers and commission merchants, engaged primarily in selling fresh fruits and vegetables, together with their sales.

	Service and Limited- Function Wholesalers		Commission Merchants	
	Number of establishments	Net sales	Number of establishments	Net sales
1929 Census	5,967	\$1,666,047,000	1,269	\$636,970,000
1933 Census	5,421	789,691,000	1,274	457,423,000
1935 Census	6,164	972,532,000	1,211	604,514,000
Percent change				
1929 to 1933	- 9.2	- 52.6	+ 0.4	- 28.2
1933 to 1935	+ 13.7	+ 23.2	- 4.9	+ 32.2

Identical establishments in this Survey:

1935	904	\$ 288,470,000	101	\$ 61,192,000
1936	904	339,153,000	101	64,779,000
1937	904	356,825,000	101	67,733,000

Percent change, identical establishments				
1935 to 1937		+ 23.7		+ 10.7

1,200 Million Dollars for Title-Taking Wholesalers

If the 23.7 percent increase in 1937 over 1935, as found in this Survey, is considered representative for the trade, the total business of all merchant wholesalers engaged primarily in selling fresh fruits and vegetables exceeded \$1,200,000,000 in 1937. Likewise, if the 10.7 percent increase is representative, the total for commission merchants approximated 670 million dollars.

Pay Roll Increases

It is interesting to note that pay roll kept pace with increases in sales between 1935 and 1937. For service and limited-function wholesalers, salaries and wages were up 23.6 percent as compared with an increase of 23.7 percent in business, while for commission merchants the rise in pay roll was 13.5 percent and sales 10.7 percent.

Type of distributor	Percent increase, 1937 over 1935		
	Sales	Pay roll	Stocks (end of year)
904 Service and limited-function wholesalers	23.7	23.6	11.5
101 Commission merchants	10.7	13.5	5.7

Quarterly Sales, 1937 and First Half of 1938

A measure of the short term trend in the wholesale fresh fruit and vegetable business is given in terms of quarterly sales for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions and for the 13 largest cities are shown in Table 1. The summary for the United States follows:

Period	Service and Limited- Function Wholesalers		Commission Merchants	
	Net sales	% change from preceding quarters	Net sales	% change from preceding quarters
1st Qr. 1937	\$ 83,683,000	--	\$17,275,000	--
2nd Qr. 1937	106,909,000	+ 27.8	20,669,000	+ 19.6
3rd Qr. 1937	88,506,000	- 17.2	14,587,000	- 29.4
4th Qr. 1937	77,727,000	- 12.2	15,202,000	+ 4.2
1st Qr. 1938	70,959,000	- 8.7	14,145,000	- 7.0
2nd Qr. 1938	92,129,000	+ 29.8	17,865,000	+ 26.3
<u>Percent change</u>				
1st Qr. 1938 vs. 1st Qr. 1937	- 15.2		- 18.1	
2nd Qr. 1938 vs. 2nd Qr. 1937	- 13.8		- 13.6	

30 Percent Sample

The 904 title-taking wholesalers included in this Survey represented 15 percent of the number and accounted for 30 percent of the business of all merchant wholesalers in 1935 while the 101 commission merchants represented 8 percent of the number and accounted for 10 percent of sales for their classification in 1935.

Table 3 attached measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number of those included together with their 1935 sales and pay roll is compared by geographic divisions and for the 13 largest cities with 1935 totals. For convenience in using the information the percent sample, establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information, by geographic divisions and for the 13 cities having a population of more than 500,000 in 1930, as to sales and stocks of the merchant wholesalers and commission merchants for the years 1935, 1936 and 1937 and on pay roll for the years 1935 and 1937.

SIZE OF ESTABLISHMENT

Of the 904 service and limited-function wholesalers included in this Survey, 832 are classified as wholesale merchants, 51 as importers, 4 as exporters and 17 as wagon distributors. The 832 wholesale merchants are arranged according to their 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants for that year. As might be expected, a greater percentage of the larger establishments reported for this Survey than smaller ones. Thirty nine of 116 merchants (34%) in the \$1,000,000-and-over bracket and 80 of the 269 (30%) in the \$500,000 - \$999,999 group are included as compared with only 100 of the 2,688 distributors (4%) in the under \$50,000 bracket, and 173 of the 946 (18%) in the \$50,000 - \$99,999 group.

TABLE A. -SAMPLE BY SIZE OF ESTABLISHMENT-WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
Total	5,774	832	\$906,549,000	\$242,166,000	14	27
\$1,000,000 and over	116	39	220,561,000	69,012,000	34	31
\$500,000 - \$999,999	269	80	183,458,000	53,665,000	30	29
\$300,000 - \$499,999	358	103	136,716,000	39,907,000	29	29
\$200,000 - \$299,999	472	149	114,588,000	36,529,000	32	32
\$100,000 - \$199,999	925	188	131,265,000	26,610,000	20	20
\$50,000 - \$ 99,999	946	173	67,641,000	12,794,000	18	19
Under \$50,000	2,688	100	52,320,000	3,649,000	4	7

Increases by size, 1937 over 1935

Percentage increases in sales, pay roll and stocks -- 1937 over 1935 -- of 832 wholesale merchants are shown in Table B, below, by size of establishment. In general, the smaller establishments show greater increases in sales than the larger ones. For example, the 100 merchants under \$50,000 show a gain of 109.4 percent in sales and the 173 from \$50,000-to-\$100,000 gained 45.1 percent as compared with 15.7 percent for the \$500,000 - \$999,999 bracket and 16.2 percent for the \$1,000,000-and-over group. Pay roll in the two largest brackets increased more than sales -- 23.6 percent for pay roll as compared with 16.2 percent for sales in the \$1,000,000-and-over group and 17.0 percent for pay roll against 15.7 percent for sales in the \$500,000 - \$999,999 bracket.

**TABLE B. -INCREASES IN SALES AND PAY ROLL, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT**

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935	
		Sales	Pay roll
Total	832	+ 23.6	+ 22.4
\$1,000,000 and over	39	+ 16.2	+ 23.6
\$500,000 - \$999,999	80	+ 15.7	+ 17.0
\$300,000 - \$499,999	103	+ 18.4	+ 17.9
\$200,000 - \$299,999	149	+ 28.6	+ 22.5
\$100,000 - \$199,999	188	+ 40.2	+ 24.4
\$ 50,000 - \$ 99,999	173	+ 45.1	+ 35.8
Under \$50,000	100	+109.4	+ 58.5

Changes of establishments from one size bracket to another, 1935 to 1937, is shown in Table C. In keeping with the general increase in sales the trend was from the lower to the upper groups. For example, 54 houses were in the \$1,000,000-and-over group in 1937 as compared with only 39 in 1935. On the other hand 51 establishments had sales of less than \$50,000 in 1937 as compared with 100 in 1935. A total of 333 establishments moved up in classification, while only 60 dropped to lower groups. Seventy four houses increased as much as two size brackets.

**TABLE C. --NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937
WHOLESALE MERCHANTS ONLY**

Size of establishment (based on net sales in 1935)	Number of establishments	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total establishments, 1937	<u>832</u>	<u>54</u>	<u>112</u>	<u>136</u>	<u>134</u>	<u>215</u>	<u>130</u>	<u>51</u>
\$1,000,000 and over in 1935	39	<u>36</u>	3					
\$500,000 - \$999,999 in 1935	80	16	57	6	1			
\$300,000 - \$499,999 in 1935	103	2	35	<u>51</u>	12	1	2	
\$200,000 - \$299,999 in 1935	149		17	56	<u>56</u>	20		
\$100,000 - \$199,999 in 1935	188			21	<u>51</u>	<u>108</u>	8	
\$ 50,000 - \$ 99,999 in 1935	173			2	9	68	<u>87</u>	7
Under \$50,000 in 1935	100				5	18	33	<u>44</u>

- (1) Net sales of \$1,000,000 and over in 1937.
 (2) Net sales of \$500,000 - \$999,999 in 1937.
 (3) Net sales of \$300,000 - \$499,999 in 1937.
 (4) Net sales of \$200,000 - \$299,999 in 1937.
 (5) Net sales of \$100,000 - \$199,999 in 1937.
 (6) Net sales of \$ 50,000 - \$ 99,999 in 1937.
 (7) Net sales of under \$50,000 in 1937.

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales 10 days or less; and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information; hence, the number of establishments in these tables is less than the total number included in the Survey.

Credit Period and Rate of Discount

Table D classifies 818 service wholesalers and 95 commission merchants according to their usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also the classification as given here represents the policy of the house from which practice may vary.

Selling on credit for a period of 10 days or less is the common practice in the trade. Of the 818 merchant wholesalers studied, 308 reported their credit extension as 7 days, and 98 reported 10 days. Likewise, 47 of the 95 commission merchants sell on a 7 day basis, and 22 customarily extend credit for 10 days. Many wholesale merchants, however, extend credit for longer periods, ranging as high as 60 days for 8 merchant wholesale establishments. Fresh fruits and vegetables are usually billed net although 87 of the merchant wholesalers and 6 of the commission merchants stated that they make a practice of granting discounts.

TABLE D. --ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of estab- lishments	Usual discount rate			
		Net*	1%	2%	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS					
Total establishments	818	731	1/8	2/6	73
Spot cash (credit not usually granted)	58	58	--	--	--
7 days	308	289	1	--	18
10 days	98	93	--	--	5
15 days	27	24	--	--	3
30 days	66	45	5	5	11
60 days	8	4	1	--	3
Combination of periods **	168	152	1	--	15
Periods not stated	85	66	--	1	18

TABLE D.--continued

Usual Credit Period	Total number of estab- lishments	Usual discount rate			
		Net*	1%	2%	Discount granted, rate not stated
COMMISSION MERCHANTS					
Total establishments	95	89	--	--	6
Spot cash (credit not usually granted)	6	6	--	--	--
7 days	47	46	--	--	1
10 days	22	20	--	--	2
15 days	3	2	--	--	1
30 days	5	4	--	--	1
60 days	2	1	--	--	1
Combination of periods**	5	5	--	--	--
Periods not stated	5	5	--	--	--

* Cash discount not usually granted.

** Period varies with commodity and customer.

1/ 2 establishments reported their discount period as 7 days; 6 as 10 days.

2/ All establishments reported their discount period as 10 days.

Cash vs. Credit Sales

The cash-credit division of 1937 sales is given in Table E. More than four-fifths (82.9%) of the sales of service and limited-function wholesalers and approximately three-fourths (73.4%) of the business of commission merchants was on credit. Slightly more than one-half of the business of merchant wholesalers and five-eighths of the sales of commission merchants are on credit for 10 days or less. Commission merchants show a slightly larger portion of spot cash business than merchant wholesalers, 26.6 percent as compared with 17.1 percent.

TABLE E. --CASH-CREDIT ANALYSIS OF SALES

(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Net	Usual discount rate		
			1%	2%	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS					
Number of establishments	818	731	8	6	73
Net sales (1937)	\$315,088	\$289,328	\$4,266	\$2,200	\$19,294
Spot cash	54,009	49,880	210	162	3,757
Credit 10 days or less	164,009	155,950	245	242	7,572
Credit more than 10 days	97,070	83,498	3,811	1,796	7,965
Percent of net sales					
Spot cash	17.1	17.2	4.9	7.4	19.5
Credit 10 days or less	52.1	53.9	5.7	11.0	39.2
Credit more than 10 days	30.8	29.9	89.4	81.6	41.3
Percent of credit sales discounted					
Percent of all credit sales discounted (weighted average)			61.5	31.1	26.7

TABLE E.--continued

Usual Credit Period	Total	Net	1%	2%	Discount granted, rate not stated
COMMISSION MERCHANTS					
Number of establishments	95	89	--	--	6
Net sales (1937)	\$65,472	\$63,006	--	--	\$2,466
Spot cash	17,442	17,018	--	--	424
Credit 10 days or less	41,428	39,804	--	--	1,624
Credit more than 10 days	6,602	6,184	--	--	418
Percent of net sales					
Spot cash	26.6	27.0	--	--	17.1
Credit 10 days or less	63.3	63.2	--	--	65.9
Credit more than 10 days	10.1	9.8	--	--	17.0

- 0 -

The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

FRUITS AND VEGETABLES (fresh)

WHOLESALE DISTRIBUTION

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938
FOR IDENTICAL ESTABLISHMENTS BY GEOGRAPHIC DIVISIONS AND THE 13 CITIES WITH
POPULATION OF MORE THAN 500,000

DIVISION AND CITY	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTAB- LISH- MENTS INCLUD- ED IN 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTAB- LISH- MENTS %	NET * SALES %			1937				1938		1ST Q.R. 1937 To 1ST Q.R. 1938	2ND Q.R. 1937 To 2ND Q.R. 1938
					1ST Q.R.	2ND Q.R.	3RD Q.R.	4TH Q.R.	1ST Q.R.	2ND Q.R.		
SERVICE AND LIMITED-FUNCTION WHOLESALERS												
<u>UNITED STATES</u>	15	30	904	\$356,825	\$83,683	\$106,909	\$88,506	\$77,727	\$70,959	\$92,129	-15.2	-13.6
New England	18	34	89	35,717	7,849	11,159	9,423	7,286	6,602	9,796	-15.9	-12.2
Middle Atlantic	12	24	207	90,244	20,855	26,948	22,494	19,947	18,006	22,933	-13.7	-14.9
East North Central	17	33	199	82,179	19,798	24,854	19,544	17,983	16,734	21,822	-15.5	-12.2
West North Central	11	17	57	22,217	5,385	6,749	5,554	4,529	4,588	5,510	-14.8	-18.4
South Atlantic	12	27	77	23,871	5,610	6,772	5,796	5,693	4,826	5,578	-14.0	-17.6
East South Central	14	33	32	11,180	2,580	3,231	2,525	2,644	2,662	2,896	+ 3.2	-10.4
West South Central	12	24	42	15,104	3,856	4,299	3,451	3,498	3,569	3,657	- 7.4	-14.9
Mountain	21	42	47	13,253	2,831	3,922	3,820	2,680	2,440	3,396	-13.8	-13.4
Pacific	18	50	154	63,060	14,919	18,975	15,899	13,267	11,532	16,541	-22.7	-12.8
<u>13 cities over 500,000 population</u>	14	30	306	166,761	39,512	50,388	40,444	36,417	33,053	43,211	-16.3	-14.2
Boston	17	39	24	17,824	3,887	5,677	4,812	3,448	3,378	5,030	-13.1	-11.4
New York City	12	25	79	43,916	10,827	12,763	10,610	9,716	9,453	11,072	-12.7	-13.3
Philadelphia	10	18	21	6,972	1,507	2,165	1,754	1,546	1,426	1,868	- 5.4	-13.7
Pittsburgh	16	21	18	10,995	2,293	3,364	2,929	2,409	1,896	2,740	-17.3	-18.6
Buffalo	17	38	8	4,226	1,023	1,223	1,054	926	804	968	-21.4	-20.9
Chicago	14	29	32	22,203	5,516	6,501	4,998	5,188	4,570	5,578	-17.2	-14.2
Cleveland	26	46	17	9,879	2,279	3,117	2,355	2,128	2,007	2,576	-11.9	-17.4
Detroit	16	29	14	7,799	1,856	2,274	1,830	1,839	1,543	2,051	-16.9	- 9.8
Milwaukee	22	29	10	2,713	638	842	665	568	542	750	-15.0	-10.9
St. Louis	13	18	12	5,165	1,425	1,617	1,179	944	1,057	1,275	-25.8	-21.2
Baltimore	11	27	10	4,051	833	1,296	1,073	849	661	1,039	-20.6	-19.6
Los Angeles	11	42	40	16,800	3,914	5,258	4,089	3,539	3,261	4,875	-16.2	- 7.3
San Francisco	25	56	21	14,218	3,514	4,291	3,096	3,317	2,435	3,389	-30.7	-21.0
COMMISSION MERCHANTS												
<u>UNITED STATES</u>	8	10	101	67,733	17,275	20,669	14,587	15,202	14,145	17,865	-18.1	-13.6
New England	1/	1/	7	9,266	2,357	2,963	1,787	2,159	1,898	2,574	-19.5	-13.1
Middle Atlantic	--	--	33	24,607	6,861	7,884	4,403	5,439	5,982	6,524	-13.1	-17.3
East North Central	--	--	25	19,169	5,028	5,880	4,150	4,111	3,966	5,219	-21.1	-11.2
South Atlantic	--	--	8	4,397	884	1,135	1,280	1,098	670	1,004	-24.2	-11.5
Pacific	--	--	17	9,024	1,777	2,442	2,688	2,117	1,371	2,223	-22.8	- 9.0
Other divisions	--	--	6	1,270	348	365	279	278	258	321	-25.9	-12.1

+ INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

FRUITS AND VEGETABLES (fresh)

WHOLESALE DISTRIBUTION

TABLE 2.-SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS AND THE 13 CITIES WITH
POPULATION OF MORE THAN 500,000

DIVISION AND CITY	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		No. Of ESTAB- LISH- MENTS INCLUD- ED IN 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND END OF YEAR			PERCENT INCREASE 1935 to 1937		
				(add 000)			(add 000)		(add 000)					
	ESTAB- LISH- MENTS %	NET* SALES %		1937	1936	1935	1937	1935	1937	1936	1935	NET SALES	PAY ROLL	STOCKS
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
UNITED STATES	15	30	904	\$356,825	\$339,153	\$288,470	\$17,644	\$14,280	\$7,091	\$7,539	\$6,359	23.7	23.6	11.5
New England	18	34	89	35,717	32,340	28,649	1,715	1,458	315	326	307	24.7	17.6	2.6
Middle Atlantic	12	24	207	90,244	85,234	73,958	3,881	3,082	2,330	2,513	2,053	22.0	25.9	13.5
East North Central	17	33	199	82,179	78,908	63,968	3,824	2,990	1,342	1,376	1,041	28.5	27.9	28.9
West North Central	11	17	57	22,217	22,325	18,396	978	803	476	515	318	20.8	21.8	49.7
South Atlantic	12	27	77	23,871	23,002	18,291	1,395	1,085	519	564	486	30.5	28.6	6.8
East South Central	14	33	32	11,180	10,371	8,906	594	523	225	227	216	25.5	13.6	4.2
West South Central	12	24	42	15,104	14,228	11,800	853	706	243	267	241	28.0	20.8	0.8
Mountain	21	42	47	13,253	12,475	10,787	744	655	463	403	379	22.9	13.6	22.2
Pacific	18	50	154	63,060	60,270	53,715	3,660	2,978	1,178	1,348	1,318	17.4	22.9	-10.6
13 cities over 500,000 population	14	30	306	166,761	159,430	134,723	6,957	5,580	2,831	2,909	2,538	23.8	24.7	11.5
Boston	17	39	24	17,824	16,688	13,762	698	584	91	89	71	29.5	19.5	28.2
New York City	12	25	79	43,916	40,675	36,513	2,136	1,701	1,702	1,891	1,566	20.3	25.6	8.7
Philadelphia	10	18	21	6,972	7,313	5,561	260	200	46	46	53	25.4	30.0	-13.2
Pittsburgh	16	21	18	10,995	10,337	8,116	322	233	150	77	64	35.5	38.2	134.4
Buffalo	17	38	8	4,226	4,114	3,769	102	78	45	75	79	12.1	30.8	-43.0
Chicago	14	29	32	22,203	21,885	18,364	946	777	268	220	195	20.9	21.8	37.4
Cleveland	26	46	17	9,879	9,255	7,118	286	222	84	63	69	38.8	28.8	21.7
Detroit	16	29	14	7,799	7,124	5,910	204	162	33	41	16	32.0	25.9	106.3
Milwaukee	22	29	10	2,713	2,664	2,378	120	96	27	30	30	14.1	25.0	-10.0
St. Louis	13	18	12	5,165	5,391	4,190	233	201	60	64	44	23.3	15.9	36.4
Baltimore	11	27	10	4,051	3,985	2,625	127	76	9	11	8	54.3	67.1	12.5
Los Angeles	11	42	40	16,800	15,835	14,250	837	638	167	156	86	17.9	31.2	94.2
San Francisco	25	56	21	14,218	14,164	12,167	686	612	149	146	257	16.9	12.1	-42.0
COMMISSION MERCHANTS														
UNITED STATES	8	10	101	67,733	64,779	61,192	2,435	2,146	371	356	351	10.7	13.5	5.7
New England	1/	1/	7	9,266	9,017	9,075	326	273	20	10	36	2.1	19.4	-44.4
Middle Atlantic	--	--	38	24,607	24,433	24,250	751	727	132	145	127	1.5	3.3	3.9
East North Central	--	--	25	19,169	17,572	14,709	619	480	143	130	116	30.3	29.0	23.3
South Atlantic	--	--	8	4,397	3,291	3,388	152	134	23	22	18	29.8	13.4	27.8
Pacific	--	--	17	9,024	9,119	8,636	547	492	48	45	45	4.5	11.2	6.7
Other divisions	--	--	6	1,270	1,347	1,134	40	40	5	4	9	12.0	0.0	-44.4

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of both full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

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WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

FRUITS AND VEGETABLES (fresh)

WHOLESALE DISTRIBUTION

TABLE 3.—SIZE OF SAMPLE
1937 SURVEY COMPARED WITH 1935 CENSUS
ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS
AND THE 13 CITIES WITH POPULATION OF MORE THAN 500,000

DIVISION AND CITY	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALEERS									
<u>UNITED STATES</u>	6,164	904	15	\$972,532	\$288,470	30	\$47,973	\$14,280	30
New England	498	89	18	83,068	28,649	34	4,309	1,458	34
Middle Atlantic	1,695	207	12	309,391	73,958	24	12,922	3,082	24
East North Central	1,150	199	17	194,407	63,968	33	8,799	2,990	34
West North Central	517	57	11	107,397	18,396	17	5,578	803	14
South Atlantic	625	77	12	68,506	18,291	27	4,001	1,085	27
East South Central	232	32	14	26,653	8,906	33	1,348	523	39
West South Central	354	42	12	49,207	11,800	24	3,075	706	23
Mountain	228	47	21	25,832	10,787	42	1,626	655	40
Pacific	865	154	18	108,071	53,715	50	6,315	2,978	47
<u>13 Cities over 500,000 Population</u>	2,191	306	14	455,816	134,723	30	19,213	5,580	29
Boston	141	24	17	35,307	13,762	39	1,627	584	36
New York City	633	79	12	145,852	36,513	25	6,767	1,701	25
Philadelphia	210	21	10	30,539	5,561	18	1,065	200	19
Pittsburgh	111	18	16	38,631	8,116	21	791	233	29
Buffalo	46	8	17	9,974	3,769	38	264	78	30
Chicago	225	32	14	63,550	18,364	29	2,689	777	29
Cleveland	65	17	26	15,494	7,118	46	528	222	42
Detroit	90	14	16	20,312	5,910	29	658	162	25
Milwaukee	46	10	22	8,160	2,378	29	343	96	28
St. Louis	93	12	13	22,733	4,190	18	990	201	20
Baltimore	90	10	11	9,648	2,625	27	387	76	20
Los Angeles	356	40	11	34,068	14,250	42	1,971	638	32
San Francisco	85	21	25	21,548	12,167	56	1,133	612	54
COMMISSION MERCHANTS									
<u>UNITED STATES</u>	1/1,211	101	8	1/ 604,514	61,192	10	1/ 12,664	2,146	17

* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 Census figures not available by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

UNITED STATES DEPARTMENT OF COMMERCE

Daniel C. Roper, Secretary

BUREAU OF THE CENSUS

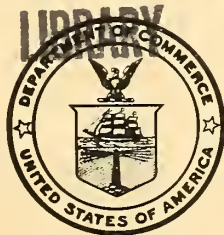
William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

GROCERIES (full line)

BUREAU OF THE CENSUS



NOVEMBER, 1938

POSTMASTER: RETURN TO

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CENSUS SURVEY OF BUSINESS: 1937-38

Wholesale Distribution

GROCERIES (full-line)

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of identical full-line grocery wholesalers for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in the size of establishments, 1935 to 1937, are shown; wholesalers are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

Unlike regular Censuses of Business, this Survey is not intended to present a complete picture of the full-line grocery trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones since 1935 being omitted. Those with sales less than \$25,000 for the year 1935 were likewise omitted, as they account for but a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow-up; hence, not all wholesalers contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling a full line of groceries at wholesale during the year 1935 and which still operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935, respectively. Below is a comparison of the number of service and limited-function (cash-and-carry, retailer-cooperative and wagon distributor) wholesalers engaged primarily in selling a full line of groceries, together with their sales, pay roll and stocks on hand at the end of the year.

	Number of establishments	Net sales	Pay roll	Stocks (end of year)
1929 Census*	5,748	\$2,938,579,000	\$144,626,000	\$386,262,000
1933 Census	3,744	1,436,920,000	76,000,000	201,891,000
1935 Census	3,833	1,953,762,000	98,077,000	242,071,000
Percent change				
1929 to 1933*	- 34.9	- 51.1	- 47.5	- 47.7
1933 to 1935	+ 2.4	+ 36.0	+ 29.0	+ 19.9

Identical establishments in this Survey:

1935	1,069	\$ 693,801,000	\$ 38,547,000	\$ 90,997,000
1936	1,069	761,517,000	Not available	106,958,000
1937	1,069	812,204,000	44,974,000	106,647,000
Percent change, identical establishments				
1935 to 1937		+ 17.1	+ 16.7	+ 17.2

36 Percent Sample

The 1,069 wholesalers included in this Survey represented 28 percent of the total number and accounted for 36 percent of the sales of all service and limited-function wholesalers handling a full line of groceries in 1935.

The classification was broader in 1929 than in 1933 and 1935, as it included a number of establishments later reclassified as specialty houses.

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number of those included, together with 1935 sales and pay roll, is compared by geographic divisions with the totals in 1935. For convenience in using the information the percent sample, of establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and stocks of the 1,069 wholesalers for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

Quarterly sales, 1937 and the first half of 1938

A measure of the short-term trend in the full-line grocery trade is given in terms of quarterly sales of the 1,069 establishments for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

<u>Period</u>	<u>Net sales</u>	<u>Percent change from preceding quarter</u>
1st Qr. 1937	\$193,672,000	--
2nd Qr. 1937	203,861,000	+ 5.3
3rd Qr. 1937	216,902,000	+ 6.4
4th Qr. 1937	197,769,000	- 8.8
1st Qr. 1938	177,663,000	- 10.2
2nd Qr. 1938	185,001,000	+ 4.1

Classes of Wholesalers

Of the 1,069 houses included in this Survey, 720 are classified as wholesale merchants (service wholesalers not sponsoring voluntary groups), 170 as voluntary group wholesalers, 131 as cash-and-carry depots and 48 as retailer-cooperative warehouses -- owned and operated by independent retailers. Percentage increases in dollar sales, pay roll and stocks, 1937 over 1935, for each class of establishment is given below:

Type of operation	Percent increase, 1937 over 1935		
	Net sales	Pay roll	Stocks (end of year)
Total (1,069 establishments)	17.1	16.7	17.2
Wholesale merchants (720 establishments)	17.9	16.5	16.6
Voluntary group wholesalers (170 establishments)	13.3	15.9	15.7
Cash-and-carry depots (131 establishments)	22.1	10.2	16.7
Retailer-cooperative warehouses (48 establishments)	22.8	24.6	27.8

SIZE OF ESTABLISHMENT

The 720 wholesale merchants included in this Survey are arranged according to 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants handling a full line of groceries for that year. The percent sample (percent of 1935 total reporting for 1937), both of establishments and sales, is smallest in the under \$100,000 bracket, and increases with the size of establishment. Only 14 percent of the establishments in the under \$100,000 bracket are included in the Survey as compared with 18 percent for the \$100,000 to \$199,999 group; 24 percent for the \$200,000 to \$499,999 bracket and 29 percent for the \$500,000 to \$999,999 bracket. For the \$1,000,000 and over group, where 56 of a total of 332 establishments are included, the sample dropped slightly to 19 percent. The largest sample in terms of sales is in the \$500,000 to \$999,999 bracket, 29 percent, while the smallest is in the under \$100,000 group, 15 percent.

TABLE A. -SAMPLE BY SIZE OF ESTABLISHMENT--WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935 (add 000)		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
Total	3,210	720	\$1,707,024	\$402,259	22	24
\$1,000,000 and over	332	64	734,751	148,703	19	20
\$500,000 - \$999,999	627	181	429,407	125,672	29	29
\$200,000 - \$499,999	1,335	322	434,912	108,051	24	25
\$100,000 - \$199,999	591	108	86,737	16,633	18	19
Under \$100,000	325	45	21,217	3,200	14	15

Increases by size, 1937 over 1935

Percentage increases in sales, pay roll and stocks -- 1937 over 1935 -- of wholesalers included in this Survey are shown in Table B, below, by size of establishment. It is interesting to note that for each of the four classifications (wholesale merchants, voluntary group wholesalers, cash-and-carry depots and retailer-cooperative warehouses) smaller establishments show greater increases in sales than the larger ones. For example, sales of the 45 wholesale merchants under \$100,000 gained 29.4 percent and those \$100,000 to \$199,999 show an increase of 35.2 percent as compared with only 18.0 percent for the \$500,000 to \$999,999 and 15.0 percent for the \$1,000,000 and over bracket. Similarly, retailer-cooperative under \$500,000 gained 34.5 percent as compared with 22.0 percent for those \$500,000 and over.

TABLE B. -INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935, BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of estab- lishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks

WHOLESALE MERCHANTS

Total	720	17.9	16.5	16.6
\$1,000,000 and over	64	15.0	15.6	16.0
\$500,000 - \$999,999	181	18.0	18.0	16.9
\$200,000 - \$499,999	322	18.7	16.2	15.2
\$100,000 - \$199,999	108	35.2	21.0	31.0
Under \$100,000	45	29.4	10.6	15.1

VOLUNTARY GROUP WHOLESALERS

Total	170	13.3	15.9	15.7
\$1,000,000 and over	58	13.9	16.8	16.1
\$500,000 - \$999,999	59	10.4	12.7	14.2
Under \$500,000	53	14.6	13.2	17.1

CASH-AND-CARRY DEPOTS

Total	131	22.1	10.2	16.7
\$200,000 and over	21	19.2	14.0	12.4
\$100,000 - \$199,999	69	20.2	3.0	13.8
Under \$100,000	41	33.5	25.0	36.6

RETAILER-COOPERATIVE WAREHOUSES

Total	48	22.8	24.6	27.8
\$500,000 and over	32	22.0	24.5	26.6
Under \$500,000	16	34.5	25.5	42.6

Changes in size brackets, 1935 to 1937, are shown in Table C for the 720 wholesale merchants. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 99 houses were in the \$1,000,000-and-over group in 1937 as compared with only 64 in 1935. On the other hand, 36 houses had sales of less than \$100,000 in 1937, as compared with 45 in 1935. A total of 166 moved up in classification, while only 18 dropped to lower groups. Five establishments increased as much as two size brackets.

TABLE C. --NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937
(Wholesale merchants only)

Size of establishment (based on net sales)	Total estab- lishments 1935	\$1000000 and over in 1937	\$500000 to \$999999 in 1937	\$200000 to \$499999 in 1937	\$100000 to \$199999 in 1937	Under \$100000 in 1937
Total establishments, 1937	<u>720</u>	<u>99</u>	<u>211</u>	<u>300</u>	<u>74</u>	<u>36</u>
\$1,000,000 and over in 1935	64	<u>62</u>	1	1		
\$500,000 - \$999,999 in 1935	181	36	<u>138</u>	7		
\$200,000 - \$499,999 in 1935	322	1	<u>71</u>	<u>243</u>	7	
\$100,000 - \$199,999 in 1935	108		1	46	<u>59</u>	2
Under \$100,000 in 1935	45			3	8	<u>34</u>

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales 10 days or less and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information; hence, the number of establishments in these tables is less than the total number included in the Survey.

Credit period and rate of discount

Table D classifies 635 wholesale merchants, 154 voluntary group wholesalers and 42 retailer-cooperative warehouses according to usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also the classification as given here represents the policy of the house from which practice may vary. A variety of credit periods appear in the wholesale grocery trade, no one of which (except 7 days for retailer-cooperative warehouses) predominates. Thirty days is the most frequent period for wholesale merchants and voluntary group wholesalers, although 62 of the 154 wholesalers sponsoring voluntary groups report a combination of credit periods.

As shown in Table D, groceries are billed net for the most part. Two percent is the most frequent single rate of cash discount for wholesale merchants as compared with only one percent for voluntary group wholesalers and retailer-cooperative warehouses. Fifty-seven wholesale merchants stated that their rates varied with commodities and customers, no one rate prevailing. Many houses -- 112 wholesale merchants, 22 voluntary group wholesalers and 7 retailer-cooperative warehouses -- indicated that they granted cash discounts but failed to report a prevailing rate.

TABLE D. - ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of estab- lishments	Usual discount rate					Discount granted, rate not stated
		Net*	1%	2%	Other rates	Combina- tion of rates**	
WHOLESALE MERCHANTS							
Total establishments	<u>635</u>	<u>286</u>	<u>1/68</u>	<u>2/112</u>		<u>57</u>	<u>112</u>
Spot cash (credit not usually granted)	40	38					2
7 days	53	49					4
10 days	15	13					2
15 days	44	34	2	2			6
30 days	201	61	47	60		27	6
60 days	12	1	2	9			
Combination of periods***	101	70	3	1		18	9
Periods not stated	169	20	14	40		12	83
VOLUNTARY GROUP WHOLESALERS							
Total establishments	<u>154</u>	<u>84</u>	<u>3/22</u>	<u>4/15</u>	<u>11</u>		<u>22</u>
Spot cash (credit not usually granted)	7	7					
7 days	11	10					1
10 days	6	2			4		
15 days	22	18	2	1			1
30 days	41	10	14	9	6		2
Other periods	5	5					
Combination of periods***	62	32	6	5	1		18
RETAILER-COOPERATIVE WAREHOUSES							
Total establishments	<u>42</u>	<u>27</u>	<u>8</u>				<u>7</u>
7 days	19	16	1				2
10 days	7	2	5				
15 days	2		2				
30 days	3	2					1
Combination of periods***	11	7					4

* Cash discount not usually granted.

** Rate differs with commodity and customer; no single rate predominating.

***Period varies with commodity and customer.

1/ 9 establishments report their discount period as 10 days; 41 as 15 days; 9 as 30 days; and 9 as a combination of periods.

2/ 14 establishments report their discount period as 10 days; 59 as 15 days; 13 as 30 days; and 26 as combination of periods.

3/ 20 establishments report their discount period as 10 days; 2 as 15 days.

4/ 9 establishments report their discount period as 10 days; 3 as 15 days; and 3 as 30 days.

Cash vs. credit sales

The cash-credit division of 1937 sales is given in Table E. Approximately two-thirds of the sales of wholesale merchants (65.3%) and of voluntary group wholesalers (65.0%) are on credit for a period of more than 10 days as compared with one-fifth (19.1%) for retailer-cooperative warehouses. Spot cash represents approximately one-tenth of the total for all

three classes of establishments. It is interesting to note that retailer-cooperative warehouses collect on four-fifths (80.9%) of their sales in 10 days or less. In general, discount rates are associated with longer credit periods.

TABLE E. --CASH-CREDIT ANALYSIS OF SALES
(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Usual rate of discount					Discount granted, rate not stated
		Net	1%	2%	Other rates (3-5 etc.)	Combination of rates	

WHOLESALE MERCHANTS

Number of establishments	635	286	68	112		57	112
Net sales (1937)	\$426,447	\$164,486	\$51,246	\$68,553		\$71,181	\$70,981
Spot cash	52,182	28,584	3,481	8,405		4,539	7,173
Credit 10 days or less	95,867	38,348	11,615	12,020		14,056	19,828
Credit more than 10 days	278,398	97,554	36,150	48,128		52,586	43,980
Percent of net sales							
Spot cash	12.2	17.4	6.8	12.3		6.4	10.1
Credit 10 days or less	22.5	23.3	22.7	17.5		19.7	27.9
Credit more than 10 days	65.3	59.3	70.5	70.2		73.9	62.0
Percent of credit sales discounted							
Percent of all credit sales discounted (weighted average)			45.1	40.7		58.9	45.0

VOLUNTARY GROUP WHOLESALERS

Number of establishments	154	84	22	15	11		22
Net sales (1937)	\$216,357	\$95,624	\$64,459	\$10,484	\$14,793		\$30,997
Spot cash	24,801	18,501	3,399	840	872		1,189
Credit 10 days or less	50,992	25,624	10,563	3,366	4,227		7,212
Credit more than 10 days	140,564	51,499	50,497	6,278	9,694		22,596
Percent of net sales							
Spot cash	11.5	19.3	5.3	8.0	5.9		3.8
Credit 10 days or less	23.5	26.8	16.4	32.1	28.6		23.3
Credit more than 10 days	65.0	53.9	78.3	59.9	65.5		72.9
Percent of credit sales discounted							
Percent of all credit sales discounted (weighted average)			31.2	48.3	60.7		55.4

RETAILER-COOPERATIVE WAREHOUSES

Number of establishments	42	27	8				7
Net sales (1937)	\$74,191	\$44,926	\$9,292				\$19,973
Spot cash	8,227	7,755	154				318
Credit 10 days or less	51,830	32,602	1,657				17,571
Credit more than 10 days	14,134	4,569	7,481				2,084
Percent of net sales							
Spot cash	11.0	17.2	1.7				1.6
Credit 10 days or less	69.9	72.6	17.8				88.0
Credit more than 10 days	19.1	10.2	80.5				10.4
Percent of credit sales discounted							
Percent of all credit sales discounted (weighted average)			88.7				91.1

Credit sales discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Wholesale merchants selling on a one percent basis granted discounts on 45.1 percent of their 1937 credit sales and those granting two percent allow discount on 40.7 percent. Similarly, voluntary group wholesalers selling on a one percent basis discounted 31.2 percent of their sales as compared with 48.3 percent for those granting two percent cash discount.

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The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

GROCERIES (full-line)

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		No. OF ESTAB- LISH- MENTS INCLUD- ED IN 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTAB- LISH- MENTS %	NET * SALES %			1937				1938		1ST QR. 1937 To 1ST QR. 1938	2ND QR. 1937 To 2ND QR. 1938
					1ST QR.	2ND QR.	3RD QR.	4TH QR.	1ST QR.	2ND QR.		
Jan. 1 Mar. 31	April 1 June 30	July 1 Sept. 30	Oct. 1 Dec. 31	Jan. 1 Mar. 31	April 1 June 30							
SERVICE AND LIMITED-FUNCTION WHOLESALERS												
<u>UNITED STATES</u>	28	36	1,069	\$812,204	\$193,672	\$203,861	\$216,902	\$197,769	\$177,663	\$185,001	- 9.3	- 9.3
Wholesale merchants	--	--	720	474,175	113,099	120,116	127,204	113,756	102,099	106,646	- 9.7	-11.2
Voluntary group wholesalers	--	--	170	236,290	55,911	58,822	62,978	58,579	51,586	54,115	- 7.7	- 8.0
Cash-and-carry depots	--	--	131	21,501	5,182	5,489	5,768	5,042	4,783	4,924	- 7.7	-10.3
Retailer-cooperative warehouse	--	--	48	80,238	19,480	19,434	20,932	20,392	19,195	19,316	- 1.5	- 0.6
<u>Geographic Divisions</u>												
New England	28	23	48	25,579	5,883	6,430	7,051	6,215	5,638	6,224	- 4.2	- 3.2
Middle Atlantic	35	45	155	175,023	42,104	44,356	44,741	43,822	38,925	39,006	- 7.6	-12.1
East North Central	23	36	155	149,708	34,839	36,751	40,147	37,971	31,726	33,045	- 8.9	-10.1
West North Central	36	40	136	114,055	26,781	28,338	32,120	26,816	24,075	26,476	-10.1	- 6.6
South Atlantic	20	23	130	61,876	15,099	15,651	16,096	15,030	13,848	13,891	- 8.3	-11.2
East South Central	20	20	81	40,927	10,157	10,483	10,804	9,483	8,719	8,865	-14.2	-15.4
West South Central	30	34	194	107,319	26,818	27,497	27,786	25,218	24,564	24,657	- 8.4	-10.3
Mountain	33	44	56	41,299	8,726	10,363	11,776	10,434	7,810	9,056	-10.5	-12.6
Pacific	44	45	114	96,418	23,265	23,992	26,381	22,780	22,358	23,781	- 3.9	- 0.9

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

GROCERIES (full-line)

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		No. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND END OF YEAR			PERCENT INCREASE 1935 to 1937		
	ESTABLISHMENTS %	NET* SALES %		(add 000)			(add 000)		(add 000)			NET SALES	PAY ROLL	STOCKS
				1937	1936	1935	1937	1935	1937	1936	1935			
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
<u>UNITED STATES</u>	28	36	1,069	\$812,204	\$761,517	\$693,801	\$44,974	\$38,547	\$106,647	\$106,958	\$90,997	17.1	16.7	17.2
Wholesale merchants	--	--	720	474,175	444,532	402,259	25,821	22,157	62,583	63,149	53,669	17.9	16.5	16.6
Voluntary group wholesalers	--	--	170	236,290	222,997	208,591	16,189	13,965	33,600	33,744	29,031	13.3	15.9	15.7
Cash-and-carry depote	--	--	131	21,501	20,934	17,614	433	393	1,464	1,457	1,255	22.1	10.2	16.7
Retailer-cooperative warehouses	--	--	48	80,238	73,054	65,337	2,531	2,032	9,000	8,608	7,042	22.8	24.6	27.8
<u>Geographic Divisions</u>														
New England	28	23	48	25,579	24,107	22,236	1,644	1,450	3,688	3,606	3,223	15.0	13.4	14.4
Middle Atlantic	35	45	155	175,023	162,021	152,014	10,764	8,918	22,406	22,341	19,277	15.1	20.7	16.2
East North Central	23	36	155	149,708	140,260	131,208	10,691	9,374	20,401	20,147	17,520	14.1	14.0	16.4
West North Central	36	40	136	114,055	110,896	97,614	6,170	5,396	15,657	16,400	13,590	16.8	14.3	15.2
South Atlantic	20	23	130	61,876	58,673	54,723	2,869	2,521	7,155	7,141	6,177	13.1	13.8	15.8
East South Central	20	20	81	40,927	38,251	32,940	1,846	1,577	4,833	5,173	4,071	24.2	17.1	18.7
West South Central	30	34	194	107,319	100,843	88,856	4,443	3,804	12,819	13,740	10,917	20.8	16.8	17.4
Mountain	33	44	56	41,299	39,057	34,985	1,916	1,644	7,192	6,194	5,653	18.0	16.5	27.2
Pacific	44	45	114	96,418	87,409	79,225	4,631	3,863	12,496	12,216	10,569	21.7	19.9	18.2

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38				GROCERIES (full-line)			WHOLESALE DISTRIBUTION		
TABLE 3.--SIZE OF SAMPLE									
1937 SURVEY COMPARED WITH 1935 CENSUS									
ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS									
DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALERS									
UNITED STATES	3,833	1,069	28	\$1,953,762	\$693,801	36	\$98,077	\$38,547	39
Wholesale merchants	--	720	--	--	402,259	--	--	22,157	--
Voluntary group wholesalers	--	170	--	--	208,591	--	--	13,965	--
Cash-and-carry depots	--	131	--	--	17,614	--	--	393	--
Retailer-cooperative warehouses	--	48	--	--	65,337	--	--	2,032	--
Geographic Divisions									
New England	172	48	28	95,247	22,236	23	6,225	1,450	23
Middle Atlantic	446	155	35	337,523	152,014	45	17,504	8,918	51
East North Central	676	155	23	360,426	131,208	36	20,868	9,374	45
West North Central	380	136	36	246,509	97,614	40	13,333	5,396	40
South Atlantic	659	130	20	232,962	54,723	23	10,303	2,521	24
East South Central	415	81	20	160,897	32,940	20	6,991	1,577	23
West South Central	652	194	30	262,264	88,856	34	11,281	3,804	34
Mountain	172	56	33	80,311	34,985	44	3,805	1,644	43
Pacific	261	114	44	177,623	79,225	45	7,767	3,863	50
* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.									
States Comprising Geographic Divisions:									
NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.					EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.				
MIDDLE ATLANTIC--N. J., N. Y., Pa.					WEST SOUTH CENTRAL--Ark., La., Okla., Tex.				
EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.					MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.				
WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.					PACIFIC--Calif., Oreg., Wash.				
SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.									

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UNITED STATES DEPARTMENT OF COMMERCE

Harry L. Hopkins, Secretary

BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

HARDWARE

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CENSUS SURVEY OF BUSINESS: 1937-38

Wholesale Distribution

HARDWARE

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 271 identical hardware wholesalers -- 175 full-line and 96 specialty line houses -- for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business is not intended to present a complete picture of the wholesale hardware trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones being omitted. Those with sales of less than \$25,000 for the year 1935 were likewise omitted, as they constitute but a small portion of the total sales. Reporting was purely on a voluntary basis with only one reminder follow-up; hence, not all wholesalers who were contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling hardware at wholesale during the year 1935 and which continue to operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935, respectively. Below is a comparison of the number of wholesalers (service and limited-function) engaged primarily in the hardware trade, together with their sales, pay roll and stocks on hand at the end of the year.

	Number of establishments	Net sales	Pay roll	Stocks (end of year)
1929 Census	1,249	\$714,528,000	\$75,593,000	\$169,500,000
1933 Census	1,176	342,066,000	39,147,000	115,162,000
1935 Census	1,129	428,249,000	46,178,000	106,980,000
Percent change				
1929 to 1933	- 5.8	- 52.1	- 48.2	- 32.1
1933 to 1935	- 4.0	+ 25.2	+ 18.0	- 7.1

Identical establishments in this Survey:

1935	271	\$162,374,000	\$18,157,000	\$39,434,000
1936	271	190,049,000	Not available	45,251,000
1937	271	210,033,000	22,767,000	47,402,000

Percent change, identical establishments

1935 to 1936	+ 17.0	--	+ 14.8
1936 to 1937	+ 10.5	--	+ 4.8
1935 to 1937	+ 29.4	+ 25.4	+ 20.2

38 Percent Sample

The 271 wholesalers included in this Survey represented 24 percent of the total number and accounted for 38 percent of the sales of all service and limited-function hardware wholesalers in 1935. Table 3 measures the size of the sample in this Survey in terms of the 1935 Census. In this table the number of those included, together with their 1935 sales and pay roll, is compared by geographic divisions with the totals in 1935. For convenience in using the information the percent sample, establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and inventories of the 271 wholesalers for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

Quarterly Sales, 1937 and First Half of 1938

A measure of the short-term trend in the hardware trade is given in terms of quarterly sales of the 271 establishments for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

Period	Full-line		Specialty lines	
	Net sales	% change from preceding quarter	Net sales	% change from preceding quarter
Number of establishments	175		96	
1st Qr. 1937	\$44,218,000	--	\$3,797,000	--
2nd Qr. 1937	52,953,000	+ 19.8	4,269,000	+ 12.4
3rd Qr. 1937	51,504,000	- 2.7	4,002,000	- 6.3
4th Qr. 1937	45,645,000	- 11.4	3,645,000	- 8.9
1st Qr. 1938	36,172,000	- 20.8	2,965,000	- 18.7
2nd Qr. 1938	42,644,000	+ 17.9	3,220,000	+ 8.6
<u>Percent change</u>				
1st Qr. 1937 to 1st Qr. 1938	- 18.2		- 21.9	
2nd Qr. 1937 to 2nd Qr. 1938	- 19.5		- 24.6	
1st half 1937 to 1st half 1938	- 18.9		- 23.3	

Sales, Pay Roll and Stocks, 1937 Over 1935

Of the 271 establishments included in this Survey, 175 are classified as full-line wholesalers, and 96 as specialty line houses (specializing in heavy hardware, light or shelf hardware, tools and cutlery, etc.). Percentage increases in dollar sales, pay roll and stocks, 1937 over 1935, for each class of establishment is given below.

Type of establishment	<u>Percent increase, 1937 over 1935</u>		
	Net sales	Pay roll	Stocks (end of year)
Total (271 establishments)	29.4	25.4	20.2
Full-line (175 establishments)	28.6	24.5	19.6
Specialty line (96 establishments)	39.8	35.3	28.9

SIZE OF ESTABLISHMENT

Of the 175 full-line wholesalers included in the Survey, 168 are classified as wholesale merchants of the conventional type, 3 as voluntary group wholesalers, 1 as an exporter, 2 as importers and 1 as a limited-function wholesaler. Likewise, of the 96 specialty line establishments 93 are wholesale merchants, 1 is an exporter and 2 are importers. The wholesale merchants of each classification are arranged according to 1935 size in Table A, below, where their number and sales are compared by size classification with their respective totals for that year.

As shown in Table A, the percent sample measured in terms of establishments (percent of 1935 total reporting for this Survey) is largest in the upper bracket and decreases with size of business. For example, 40 percent of the full-line merchants with sales of \$500,000 or more in 1935 are included as compared with only 18 percent of those with sales less than \$200,000. More than 30 percent of the specialty line merchants with sales of \$500,000 or more are included as compared with only 10 percent of those less than \$50,000.

TABLE A. -SAMPLE BY SIZE OF ESTABLISHMENT-WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935 (add 000)		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
FULL-LINE						
Total	599	168	\$377,568	\$142,958	28	38
\$1,000,000 and over	84	34	215,823	91,050	40	42
\$500,000 - \$999,999	102	41	72,418	28,859	40	40
\$300,000 - \$499,999	104	33	40,888	13,002	32	32
\$200,000 - \$299,999	113	25	27,452	6,088	22	22
Under \$200,000	196	35	20,987	3,959	18	19
SPECIALTY LINES						
Total	500	93	\$ 39,796	\$ 10,491	19	26
\$200,000 and over	51	16	18,983	4,911	31	26
\$100,000 - \$199,999	57	18	7,938	2,336	32	29
\$50,000 - \$99,999	99	31	6,959	2,268	31	33
Under \$50,000	293	28	5,916	976	10	16

Increases By Size, 1937 Over 1935

Percentage increases in sales, pay roll and stocks -- 1937 over 1935 -- of establishments included in this Survey are shown in Table B, below, by size of establishment. It is interesting to note that for the two classifications (full-line and specialty lines) smaller establishments show greater increases in sales than the larger ones. For example, in the full-line classification the 35 wholesale establishments under \$200,000 show a gain of 44.2 percent as compared with only 24.0 percent for the \$500,000 - \$999,999 group, and 30.0 percent for the \$1,000,000-and-over bracket. Similarly, specialty line houses under \$50,000 gained 57.1 percent as compared with 39.7 percent for those \$200,000 and over.

TABLE B. -INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
FULL-LINE				
Total	168	28.6	24.7	19.6
\$1,000,000 and over	34	30.0	25.5	18.8
\$500,000 - \$999,999	41	24.0	21.8	23.7
\$300,000 - \$499,999	33	30.2	22.2	17.8
\$200,000 - \$299,999	25	32.6	29.9	13.7
Under \$200,000	35	44.2	27.4	21.3
SPECIALTY LINES				
Total	93	41.6	33.7	29.4
\$200,000 and over	16	39.7	42.4	35.5
\$100,000 - \$199,999	18	39.3	29.5	36.4
\$50,000 - \$99,999	31	41.4	18.1	10.6
Under \$50,000	28	57.1	49.6	35.6

Changes of establishments from one size bracket to another, 1935 to 1937, are shown in Table C for the 168 full-line and 93 specialty line wholesale merchants. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 43 of the 168 full-line houses were in the \$1,000,000-and-over group in 1937 as compared with only 34 in 1935. On the other hand, 26 houses had sales of less than \$200,000 in 1937 as compared with 35 in 1935. A total of 52 moved up in classification, while only 3 dropped to lower groups. Four full-line establishments increased as much as two size brackets. Similarly, for specialty line houses there were 23 establishments with sales over \$200,000 in 1937 as compared with only 16 in 1935, and 15 houses had sales of less than \$50,000 in 1937 compared with 28 in 1935. A total of 38 moved up in classification while only 5 dropped to lower groups.

TABLE C.--NUMBER OF SERVICE WHOLESALE BY SIZE CLASSIFICATION; 1935 AND 1937
(Wholesale merchants only)

Size of establishment (based on net sales)	Total estab- lishments 1935	\$1,000,000 and over in 1937	\$500,000- \$999,999 in 1937	\$300,000- \$499,999 in 1937	\$200,000- \$299,999 in 1937	Under \$200,000 in 1937
FULL-LINE						
Total establishments, 1937	<u>168</u>	<u>43</u>	<u>47</u>	<u>39</u>	<u>13</u>	<u>26</u>
\$1,000,000 and over	34	<u>34</u>				
\$500,000 - \$999,999	41	9	<u>32</u>			
\$300,000 - \$499,999	33		15			
\$200,000 - \$299,999	25			<u>16</u>	2	
Under \$200,000	35			19	<u>6</u>	<u>26</u>
				4	5	
SPECIALTY LINES						
Size of establishment (based on net sales)	Total estab- lishments 1935	\$200,000 and over in 1937	\$100,000- \$199,999 in 1937	\$50,000- \$99,999 in 1937	Under \$50,000 in 1937	
Total establishments, 1937	<u>93</u>	<u>23</u>	<u>26</u>	<u>29</u>	<u>15</u>	
\$200,000 and over	16	<u>15</u>	1			
\$100,000 - \$199,999	18	8	<u>7</u>	3		
\$50,000 - \$99,999	31		16	<u>14</u>	1	
Under \$50,000	28		2	12	<u>14</u>	

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales, 10 days or less; and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information; hence, the number of establishments in these tables is less than the total number included in this Survey.

Credit Period And Rate Of Discount

Table D classifies 168 full-line wholesalers and 92 specialty line establishments according to usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also the classification as given here represents the policy of the houses from which practice may vary.

Common credit periods for both full-line and specialty line houses are 30 days and 60 days. Of the 168 full-line establishments studied, 71 reported 30 days, 66 reported 60 days while 31 failed to state their usual credit period. Similarly, 53 specialty line houses reported their usual credit period as 30 days, 19 as 60 days while 20 failed to report this information. The prevailing discount rate for the hardware trade is 2 percent as shown by the fact that 148 of the 168 full-line houses and 75 of the 92 specialty line establishments usually sell on this basis.

TABLE D.-ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of establishments	Usual discount rate				
		Net*	1%	2%	Combina- tion of rates**	Discount granted, rate not stated
FULL-LINE						
Total establishments	168	5	--	1/148	6	9
30 days	71	2	--	64	4	1
60 days	66	2	--	60	2	2
Periods not stated	31	1	--	24	--	6
SPECIALTY LINES						
Total establishments	92	8	2/4	3/75	2	3
30 days	53	6	4	42	1	--
60 days	19	--	--	17	1	1
Periods not stated	20	2	--	16	--	2

* Cash discounts not usually granted.

** Rate differs with commodity and customer.

1/ 144 establishments reported their discount period as 10 days; 1 as 15th proximo, 2 as 30 days and 1 as 60 days.

2/ All establishments reported their discount period as 10 days.

3/ 72 establishments reported their discount period as 10 days, 3 as 30 days.

Cash vs. Credit Sales

The cash-credit division of 1937 sales is given in Table E. Over nine-tenths of the business of both classes of establishment is on credit for more than 10 days, 90.2 percent for full-line wholesalers and 91.6 percent for specialty line houses. The remainder of the business is about equally divided between "spot cash" and credit of 10 days or less.

TABLE E.-CASH-CREDIT ANALYSIS OF SALES
(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Net	Usual rate of discount		
			2%	Combina- tion of rates	Discount granted, rate not stated
FULL-LINE					
Number of establishments	168	5	148	6	9
Net sales (1937)	<u>\$189,141</u>	<u>\$6,127</u>	<u>\$163,150</u>	<u>\$12,179</u>	<u>\$7,685</u>
Spot cash	8,170	537	6,240	854	539
Credit 10 days or less	10,314	--	8,012	2,067	235
Credit more than 10 days	170,657	5,590	148,898	9,258	6,911
Percent of net sales					
Spot cash	4.3	8.8	3.8	7.0	7.0
Credit 10 days or less	5.5	--	4.9	17.0	3.1
Credit more than 10 days	90.2	91.2	91.3	76.0	89.9
Percent of credit sales discounted					
Percent of all credit sales discounted (weighted average)			58.8	70.0	49.7

TABLE E.--continued

Usual Credit Period	Usual rate of discount					
	Total	Net	1%	2%	Combina- tion of rates	Discount granted, rate not stated
SPECIALTY LINES						
Number of establishments	92	8	4	75	2	3
Net sales (1937)	<u>\$15,118</u>	<u>\$886</u>	<u>\$1,222</u>	<u>\$11,496</u>	<u>\$1,201</u>	<u>\$313</u>
Spot cash	581	45	7	505	9	15
Credit 10 days or less	692	--	118	298	276	--
Credit more than 10 days	13,845	841	1,097	10,693	916	298
Percent of net sales						
Spot cash	3.8	5.1	0.6	4.4	0.7	4.8
Credit 10 days or less	4.6	--	9.6	2.6	23.0	--
Credit more than 10 days	91.6	94.9	89.8	93.0	76.3	95.2
	Percent of credit sales discounted					
Percent of all credit sales discounted (weighted average)			63.2	47.1	67.3	43.5

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Full-line houses selling on a 2 percent basis granted discounts on 58.8 percent of their 1937 credit sales. Similarly, specialty line establishments on a 2 percent basis discounted 47.1 percent of their sales as compared with 63.2 percent for those granting a cash discount of 1 percent.

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The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

HARDWARE

WHOLESALE DISTRIBUTION

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	SAMPLE BASED ON 1935 CENSUS		No. OF ESTAB- LISH- MENTS REPORT- ING 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTAB- LISH- MENTS %	* NET SALES %			1937				1938		1ST QR. 1937 To 1ST QR. 1938	2ND QR. 1937 To 2ND QR. 1938
					1ST QR.	2ND QR.	3RD QR.	4TH QR.	1ST QR.	2ND QR.		
SERVICE AND LIMITED-FUNCTION WHOLESALEERS												
UNITED STATES	24	38	271	\$210,033	\$48,015	\$57,222	\$55,506	\$49,290	\$39,137	\$45,864	-18.5	-19.9
Hardware (full line)	29	39	175	194,320	44,218	52,953	51,504	45,645	36,172	42,644	-18.2	-19.5
Hardware (specialty lines)	18	27	96	15,713	3,797	4,269	4,002	3,645	2,965	3,220	-21.9	-24.6
Hardware (full line)												
New England	30	47	11	8,044	1,645	2,295	2,042	2,062	1,364	1,964	-17.1	-14.4
Middle Atlantic	33	43	51	30,989	7,235	8,777	7,790	7,187	5,931	7,322	-18.0	-16.6
East North Central	30	52	27	54,771	11,845	15,008	14,594	13,324	9,068	11,302	-23.4	-24.7
West North Central	34	46	15	34,821	8,284	9,326	9,539	7,672	6,544	7,323	-21.0	-21.5
South Atlantic	18	18	19	9,427	2,286	2,499	2,439	2,203	1,952	1,906	-14.6	-23.7
East South Central	18	17	9	6,550	1,648	1,723	1,625	1,554	1,485	1,422	- 9.9	-17.5
West South Central	29	35	16	17,465	3,880	4,396	4,896	4,293	3,755	4,161	- 3.2	- 5.3
Mountain	32	47	8	10,463	2,210	2,863	2,868	2,522	1,777	2,208	-19.6	-22.9
Pacific	39	36	19	21,790	5,185	6,066	5,711	4,828	4,296	5,036	-17.1	-17.0
Hardware (specialty lines)												
Middle Atlantic	20	33	43	8,477	2,045	2,222	2,109	2,101	1,580	1,722	-22.7	-22.5
East North Central	17	26	19	3,016	737	813	792	674	513	547	-30.4	-32.7
West North Central	19	34	7	1,278	305	390	346	237	277	282	- 9.2	-27.7
Pacific	19	23	12	1,292	321	388	326	257	265	291	-17.4	-25.0
Other divisions	16	15	15	1,650	389	456	429	376	330	378	-15.2	-17.1

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

HARDWARE

WHOLESALE DISTRIBUTION

TABLE 2.- SALES, PAYROLL AND STOCKS: 1937, 1936 AND 1935

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	SAMPLE BASED ON 1935 CENSUS		No. OF ESTAB- LISH- MENTS REPORT- ING 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND			PERCENT INCREASE			
				(add 000)			(add 000)		END OF YEAR			1935 to 1937			
	(add 000)														
	ESTAB. LISH- MENTS %	% NET SALES		1937	1936	1935	1937	1935	1937	1936	1935	NET SALES	PAY ROLL	STOCKS	
SERVICE AND LIMITED-FUNCTION WHOLESALERS															
UNITED STATES	24	38	271	\$210,033	\$190,049	\$162,374	\$22,767	\$18,157	\$47,402	\$45,251	\$39,434	29.4	25.4	20.2	
Hardware (full line)	29	39	175	194,320	176,630	151,136	20,692	16,623	43,918	42,148	36,732	28.6	24.5	19.6	
Hardware (specialty lines)	18	27	96	15,713	13,419	11,238	2,075	1,534	3,484	3,103	2,702	39.8	35.3	28.9	
Hardware (full line)															
New England	30	47	11	8,044	7,554	6,673	950	824	2,245	2,142	2,005	20.5	15.3	12.0	
Middle Atlantic	33	43	51	30,989	26,977	23,559	3,662	2,856	6,553	6,152	5,422	31.5	28.2	20.9	
East North Central	30	52	27	54,771	50,604	41,017	6,199	4,765	11,806	11,504	9,376	33.5	30.1	25.9	
West North Central	34	46	15	34,821	33,924	29,839	3,742	3,248	7,555	7,797	6,761	16.7	15.2	11.7	
South Atlantic	18	18	19	9,427	8,843	7,556	963	790	2,828	2,779	2,285	24.8	21.9	23.8	
East South Central	18	17	9	6,550	5,633	5,566	554	523	1,311	1,270	1,269	17.7	5.9	3.3	
West South Central	29	35	16	17,465	14,851	12,158	1,525	1,201	3,852	3,411	3,206	43.7	27.0	20.1	
Mountain	32	47	8	10,463	9,528	8,087	907	731	2,147	2,045	1,837	29.4	24.1	16.9	
Pacific	39	36	19	21,790	18,716	16,681	2,190	1,685	5,621	5,048	4,571	30.6	30.0	23.0	
Hardware (specialty lines)															
Middle Atlantic	20	33	43	8,477	7,270	5,954	1,116	829	1,753	1,599	1,321	42.4	34.6	32.7	
East North Central	17	26	19	3,016	2,537	2,009	409	267	571	504	411	50.1	53.2	38.9	
West North Central	19	34	7	1,278	1,194	1,148	190	177	335	305	309	11.3	7.3	8.4	
Pacific	19	23	12	1,292	1,103	823	151	92	426	365	313	57.0	64.1	36.1	
Other divisions	16	15	15	1,650	1,315	1,304	209	169	399	330	348	26.5	23.7	14.7	

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Cal., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

TABLE 3.--SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS

KIND OF BUSINESS AND DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALERS									
<u>UNITED STATES</u>	1,129	271	24	\$428,249	\$162,374	38	\$46,178	\$18,157	39
Hardware (full-line)	610	175	29	387,020	151,136	39	41,214	16,623	40
Hardware (specialty lines)	519	96	18	41,229	11,238	27	4,964	1,534	31
Hardware (full-line)									
New England	37	11	30	14,194	6,673	47	1,708	824	48
Middle Atlantic	154	51	33	55,067	23,559	43	6,624	2,856	43
East North Central	90	27	30	79,366	41,017	52	8,524	4,765	56
West North Central	44	15	34	65,458	29,839	46	7,344	3,248	44
South Atlantic	105	19	18	42,024	7,556	18	4,399	790	18
East South Central	51	9	18	32,942	5,566	17	3,181	523	16
West South Central	55	16	29	34,815	12,158	35	3,262	1,201	37
Mountain	25	8	32	17,167	8,087	47	1,495	731	49
Pacific	49	19	39	45,987	16,681	36	4,677	1,585	36
Hardware (specialty lines)									
Middle Atlantic	214	43	20	18,123	5,954	33	2,202	829	38
East North Central	110	19	17	7,675	2,009	26	843	267	32
West North Central	36	7	19	3,374	1,148	34	489	177	36
Pacific	63	12	19	3,625	823	23	453	92	20
Other divisions	96	15	16	8,432	1,304	15	977	169	17

* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

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WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

UNITED STATES DEPARTMENT OF COMMERCE

Daniel C. Roper, Secretary

BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

MEATS AND PROVISIONS

**BUREAU OF THE CENSUS
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DECEMBER, 1938

THE UNIVERSITY OF CHICAGO
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CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

MEATS AND PROVISIONS

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 1,318 identical establishments -- 452 service and limited-function wholesalers and 866 manufacturers' sales branches -- for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937, and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of the meat and provision trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones since 1935 being omitted. Those with sales of less than \$25,000 for the year 1935 were omitted as they account for but a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow up; hence, not all wholesalers contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling meats and provisions at wholesale during the year 1935 and which still operate in a similar manner.

Three Regular Censuses

Three Regular Censuses of Business have been taken covering the years 1929, 1933 and 1935, respectively. Below is a comparison of the number and sales of service and limited-function wholesalers and manufacturers' sales branches engaged primarily in selling meats and provisions.

	Service and Limited- Function Wholesalers		Manufacturers' Sales Branches	
	Number of establishments	Net sales	Number of establishments	Net sales
1929 Census	2,225	\$689,977,000	not available	not available
1933 Census	2,281	364,139,000	845	\$ 618,271,000
1935 Census	2,218	441,852,000	937	1,080,929,000
Percent change				
1929 to 1933	+2.5	-47.2	--	--
1933 to 1935	-2.8	+21.3	+10.9	+74.8
Identical establishments in this Survey:				
1935	452	\$148,799,000	866	\$ 998,041,000
1936	452	163,249,000	866	1,093,004,000
1937	452	185,280,000	866	1,146,882,000
Percent change, identical establishments				
1935 to 1937		+24.5		+14.9

550 Million Dollars For Service And Limited-Function Wholesalers

If the 24.5 percent increase in 1937 over 1935, as found in this Survey, is considered representative for the trade, the total business of all service and limited-function wholesalers engaged primarily in selling meats and provisions exceeded \$550,000,000 in 1937. Likewise, if the 14.9 percent increase is representative, the total for manufacturers' sales branches approximated \$1,250,000,000.

Pay Roll Increases

It is interesting to note that pay roll (including salaries of executives and officers) was up more than sales between 1935 and 1937. Pay roll of title-taking wholesalers increased 26.5 percent as compared with 24.5 percent for sales; or, stated differently, it increased from \$6.00 for each one hundred dollars of sales in 1935 to \$6.10 in 1937. For manufacturers' sales branches it increased 28.4 percent against a rise of 14.9 percent in sales, or from \$3.10 per hundred dollars of sales in 1935 to \$3.50 per hundred in 1937.

Percentage increases, 1937 over 1935, in sales, pay roll and stocks are given below:

Type of Operation	Percent increase, 1937 over 1935		
	Sales	Pay roll	Stocks (end of year)
452 Service and limited-function wholesalers	24.5	26.5	23.2
866 Manufacturers' sales branches	14.9	28.4	10.5

Quarterly Sales, 1937 and First Half of 1938

A measure of the short-term trend in the meat and provision trade is given in terms of quarterly sales of the 452 service and limited-function wholesalers and the 866 manufacturers' sales branches for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

452 Service and Limited- Function Wholesalers			866 Manufacturers' Sales Branches	
Period	Net Sales	% change from preceding quarter	Net Sales	% change from preceding quarter
1st Qr. 1937	\$42,918,000	--	\$267,981,000	--
2nd Qr. 1937	46,742,000	+ 8.9	283,320,000	+ 5.7
3rd Qr. 1937	48,907,000	+ 4.6	298,862,000	+ 5.5
4th Qr. 1937	46,713,000	- 4.5	296,719,000	- 0.7
1st Qr. 1938	39,185,000	-16.1	246,838,000	-16.8
2nd Qr. 1938	42,433,000	+ 8.3	255,282,000	+ 3.4

92 Percent Sample for Manufacturers' Sales Branches

The 866 manufacturers' sales branches included herein represented 92 percent of the number and a similar percentage of the sales of all branches in 1935. Likewise, the 452 service and limited-function wholesalers constitute a sample of 20 percent in number and 34 percent in sales.

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number of those included, together with their 1935 sales and pay roll, is compared by geographic divisions with 1935 totals. For convenience in using the information the percent sample of establishments and sales is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and stocks of the 452 service and limited-function wholesalers and the 866 manufacturers' sales branches for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

SIZE OF ESTABLISHMENT

Of the 452 service and limited-function wholesalers included in this Survey, 433 are classified as wholesale merchants, 4 as importers and 15 as wagon distributors. The 433 wholesale merchants are arranged according to their 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants specializing in meats and provisions during that year. As might be expected, a greater percentage of larger establishments are included than smaller ones. For example, 26 of the 68 houses (38%) in the \$1,000,000-and-over bracket and 59 of the 147 (40%) in the \$500,000-\$999,999 group are included as compared with only 123 of the 1100 establishments (11%) under-\$100,000 and 106 of 365 (29%) from \$100,000-to-\$200,000. In general, the sample is largest in the upper brackets and decreases with size.

TABLE A. -SAMPLE BY SIZE OF ESTABLISHMENT-WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
Total	2,059	433	\$430,308,000	\$144,484,000	21	34
\$1,000,000 and over	68	26	114,085,000	42,058,000	38	37
\$500,000 - \$999,999	147	59	102,179,000	41,974,000	40	41
\$300,000 - \$499,999	183	60	70,665,000	23,152,000	33	33
\$200,000 - \$299,999	196	59	47,654,000	14,388,000	30	30
\$100,000 - \$199,999	365	106	51,991,000	15,332,000	29	29
Under \$100,000	1,100	123	43,734,000	7,580,000	11	17

Increases by Size, 1937 over 1935

Percentage increases in sales, pay roll and stocks -- 1937 over 1935 -- of the 433 wholesale merchants are shown in Table B, below, by size of establishment. While all size classifications show substantial increases in business, the largest gains are found in the lower brackets; 47.3 percent increase for the under \$100,000 group and 27.4 percent for the \$100,000 - \$199,999 group as compared with an average of 24.7 percent for all size classifications. Pay roll of the very large establishments increased relatively more than sales, 27.8 percent for pay roll as compared with 18.1 percent in sales in the \$500,000 - \$999,999 bracket and 31.3 percent for pay roll and 26.8 percent in sales in the \$1,000,000-and-over group. For the smaller establishments the reverse holds true, sales increased more than pay roll.

TABLE B. -INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
Total	433	24.7	26.2	22.8
\$1,000,000 and over	26	26.8	31.3	7.8
\$500,000 - \$999,999	59	18.1	27.8	28.2
\$300,000 - \$499,999	60	25.3	23.6	25.9
\$200,000 - \$299,999	59	21.4	17.4	51.8
\$100,000 - \$199,999	106	27.4	17.7	32.7
Under \$100,000	123	47.3	37.8	82.5

Changes of establishments from one size bracket to another, 1935 to 1937, are shown in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 38 of the 433 houses were in the \$1,000,000-and-over group in 1937 as compared with only 26 in 1935, and 75 are now found in the \$500,000 - \$999,999 bracket as compared with only 59 in 1935. On the other hand, 123 had sales less than \$100,000 in 1935 as compared with only 94 in 1937. A total of 135 moved up in classification while only 21 dropped to lower groups.

TABLE C. -NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937
(Wholesale merchants only)

Size of establishment (based on net sales)	Estab- lishments, 1935	\$1,000,000 and over in 1937	\$500,000- \$999,999 in 1937	\$300,000- \$499,999 in 1937	\$200,000- \$299,999 in 1937	\$100,000- \$199,999 in 1937	Under \$100,000 in 1937
Total establishments, 1937	433	38	75	55	73	98	94
\$1,000,000 and over in 1935	26	24	2				
\$500,000 - \$999,999 in 1935	59	14	44	1			
\$300,000 - \$499,999 in 1935	60		25	32	3		
\$200,000 - \$299,999 in 1935	59		4	16	32	7	
\$100,000 - \$199,999 in 1935	106			6	33	59	8
Under \$100,000	123				5	32	86

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit of 10 days or less; and credit sales of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information, hence, the number of establishments in these tables is less than the total number included in the Survey.

Credit Period And Rate Of Discount

Table D classifies 414 service wholesalers and 858 manufacturers' sales branches according to usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also, the classification as given here represents the policy of the house from which practice may vary.

Selling on short term credit is the common practice in the trade. Only 26 of the merchant wholesalers and none of the manufacturers' branches sell on a "spot cash" basis, while 180 of the former and 742 of the latter extend credit for a period of 7 days or "until next call". Extension of 10 days, 15 days, 30 days and even 60 days are frequent for merchant wholesalers but are seldom found among sales branches. One hundred and three branches and 78 merchant wholesalers report that they vary the credit period according to the customer or to the line of goods sold. Only 55 of the 414 merchant wholesalers and 352 of the 858 sales branches grant cash discounts as a matter of policy. The manufacturers' sales branches failed to state their rate of discount but 20 of the 35 merchant wholesalers allow 2 percent for early payment of bills -- usually within 10 days.

TABLE D.--ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Period	Total Number of estab- lishments	Usual discount rate		
		Net*	2%	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS				
Total establishments	<u>414</u>	<u>359</u>	<u>1/ 20</u>	<u>35</u>
Spot cash (credit not usually granted)	26	26	--	--
7 days	180	173	--	7
10 days	23	21	--	2
15 days	13	12	--	1
30 days	51	28	13	10
60 days	9	1	6	2
Combination of periods**	78	69	--	9
Period not stated	34	29	1	4
MANUFACTURERS' SALES BRANCHES				
Total establishments	<u>858</u>	<u>506</u>	--	<u>352</u>
7 days	<u>742</u>	<u>442</u>	--	<u>300</u>
15 days	2	2	--	--
30 days	5	4	--	1
Combination of periods**	103	57	--	46
Period not stated	6	1	--	5

* Discount not usually granted.

** Period varies with commodity or customer.

1/ 12 establishments reported their discount period as 10 days; 5 as 30 days. Three failed to report their discount period.

Cash vs. Credit Sales

Collection is made on three fifths (58.5%) of the sales of service and limited-function wholesalers and three-fourths (74.4%) of the business of manufacturers' branches in ten days or less. Merchant wholesalers show a larger percentage of spot cash business than manufacturers sales branches (15.2% as compared with 8.7%) but they also report a larger percentage on credit of more than 10 days (41.5% as compared with 25.6%). The need for cash discounts on the part of those granting 2 percent is shown by the fact that 84.0 percent of their business is on credit of 10 days or more as compared with only 41.5 percent for all merchant wholesalers.

TABLE E. --CASH-CREDIT ANALYSIS OF SALES

(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Usual discount rate		
		Net	2%	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS				
Number of establishments	414	359	20	35
Net sales (1937)	<u>\$175,565</u>	<u>\$145,122</u>	<u>\$7,668</u>	<u>\$22,775</u>
Spot cash	26,633	24,460	515	1,658
Credit 10 days or less	76,044	69,244	713	6,087
Credit more than 10 days	72,888	51,418	6,440	15,030
Percent of net sales				
Spot cash	15.2	16.9	6.7	7.3
Credit 10 days or less	43.3	47.7	9.3	26.7
Credit more than 10 days	41.5	35.4	84.0	66.0
	<u>Percent of credit sales discounted</u>			
Percent of all credit sales discounted (weighted average)			16.5	13.1
MANUFACTURERS' SALES BRANCHES				
Number of establishments	858	506		352
Net sales (1937)	<u>\$1,142,863</u>	<u>\$586,343</u>		<u>\$556,520</u>
Spot cash	99,851	51,790		48,061
Credit 10 days or less	750,740	388,744		361,996
Credit more than 10 days	292,272	145,809		146,463
Percent of net sales				
Spot cash	8.7	8.8		8.6
Credit 10 days or less	65.7	66.3		65.1
Credit more than 10 days	25.6	24.9		26.3

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Merchant wholesalers selling on a 2 percent basis granted discounts on 16.5 percent of their 1937 credit sales, and those which did not state their rate discounted 13.1 percent of their business.

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The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

MEATS AND PROVISIONS

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SAMPLE BASED ON 1935 CENSUS		NO. OF ESTAB- LISH- MENTS REPORT- ING 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTAB- LISH- MENTS %	* NET SALES %			1937				1938		1ST Q. 1937 To 1ST Q. 1938	2ND Q. 1937 To 2ND Q. 1938
					1ST Q. Jan. 1 Mar. 31	2ND Q. April 1 June 30	3RD Q. July 1 Sept. 30	4TH Q. Oct. 1 Dec. 31	1ST Q. Jan. 1 Mar. 31	2ND Q. April 1 June 30		
SERVICE AND LIMITED-FUNCTION WHOLESALERS												
UNITED STATES	20	34	452	\$185,280	\$42,918	\$46,742	\$48,907	\$46,713	\$39,185	\$42,433	- 8.7	- 9.2
New England	21	31	58	25,876	5,665	6,625	7,302	6,284	5,365	5,847	- 5.3	-11.7
Middle Atlantic	27	36	159	71,379	16,994	18,277	18,705	17,403	15,492	16,316	- 8.8	-10.7
East North Central	18	35	104	46,167	10,637	11,503	11,809	12,218	8,847	10,586	-16.8	- 8.0
West North Central	15	34	18	5,899	1,320	1,462	1,612	1,505	1,286	1,413	- 2.6	- 3.4
South Atlantic	15	29	27	11,530	2,849	2,841	2,952	2,888	2,722	2,551	- 4.5	-10.2
East South Central	10	18	5	1,562	307	397	433	425	289	343	- 5.9	-13.6
West South Central	14	33	14	4,824	1,035	1,143	1,313	1,333	1,094	1,100	+ 5.7	- 3.8
Mountain	19	28	9	1,578	334	391	442	411	346	407	+ 3.6	+ 4.1
Pacific	21	34	58	16,465	3,777	4,103	4,339	4,246	3,744	3,870	- 0.9	- 5.7
MANUFACTURERS' SALES BRANCHES (with stocks)												
UNITED STATES	92	92	866	1,146,882	267,981	283,320	298,862	296,719	246,838	255,282	- 7.9	- 9.9
New England	a	a	138	151,170	35,122	37,170	40,088	38,790	32,886	33,666	- 6.4	- 9.4
Middle Atlantic	a	a	223	364,688	85,011	89,570	94,629	95,478	79,231	81,722	- 6.8	- 8.8
East North Central	a	a	132	199,227	46,875	49,590	50,994	51,768	42,679	44,684	- 9.0	- 9.9
West North Central	a	a	41	63,006	14,443	15,929	16,635	15,999	13,007	14,409	- 9.9	- 9.5
South Atlantic	a	a	147	162,607	38,343	39,926	42,541	41,797	35,431	35,701	- 7.6	-10.6
East South Central	a	a	47	54,744	12,225	13,319	14,613	14,587	10,986	11,415	-10.1	-14.3
West South Central	a	a	74	77,035	17,907	19,222	19,907	19,999	16,746	17,396	- 6.5	- 9.5
Mountain	a	a	22	13,097	3,209	3,266	3,482	3,140	2,647	2,689	-17.5	-17.7
Pacific	a	a	42	61,308	14,846	15,328	15,973	15,161	13,225	13,600	-10.9	-11.3

+ INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

a Figures not available for year 1935.

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PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

MEATS AND PROVISIONS

TABLE 2.-- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		No. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND END OF YEAR			PERCENT INCREASE 1935 to 1937		
	ESTABLISHMENTS %	NET* SALES %		(add 000)			(add 000)		(add 000)			NET SALES	PAY ROLL	STOCKS
				1937	1936	1935	1937	1935	1937	1936	1935			
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
<u>UNITED STATES</u>	20	34	452	\$185,280	\$163,249	\$148,799	\$11,220	\$8,872	\$4,264	\$4,496	\$3,462	24.5	26.5	23.2
New England	21	31	58	25,876	23,348	21,433	1,564	1,251	682	803	670	20.7	25.0	1.8
Middle Atlantic	27	36	159	71,379	63,260	58,304	3,801	3,064	1,299	1,288	1,147	22.4	24.1	13.3
East North Central	18	35	104	46,167	38,391	35,714	2,921	2,305	1,159	1,138	873	29.3	26.7	32.8
West North Central	15	34	18	5,899	5,314	4,920	498	368	119	133	63	19.9	35.3	88.9
South Atlantic	15	29	27	11,530	10,952	9,833	695	586	285	433	259	17.3	18.6	10.0
East South Central	10	18	5	1,562	1,267	1,025	63	58	31	39	37	52.4	8.6	-16.2
West South Central	14	33	14	4,824	4,436	3,562	356	239	115	147	101	35.4	49.0	13.9
Mountain	19	28	9	1,578	1,412	1,318	158	110	61	67	37	19.7	43.6	64.9
Pacific	21	34	58	16,465	14,869	12,690	1,164	891	513	448	275	29.7	30.6	86.5
MANUFACTURERS' SALES BRANCHES (with stocks)														
<u>UNITED STATES</u>	92	92	866	1,146,882	1,093,004	998,041	39,594	30,825	30,578	32,032	27,673	14.9	28.4	10.5
New England	e	e	138	151,170	144,622	135,223	4,568	3,979	3,772	3,849	3,400	11.8	14.8	10.9
Middle Atlantic	e	e	223	364,688	351,893	337,986	11,335	9,055	9,087	8,701	7,761	7.9	25.2	17.1
East North Central	e	e	132	199,227	191,061	165,534	6,882	5,483	3,782	4,026	3,348	20.4	25.5	13.0
West North Central	e	a	41	63,006	59,141	50,753	2,221	1,689	1,156	1,353	1,174	24.1	31.5	- 1.5
South Atlantic	e	e	147	162,607	153,189	140,413	5,877	4,309	5,764	6,309	5,293	15.8	36.4	8.9
East South Central	e	e	47	54,744	51,636	45,008	1,972	1,491	1,944	2,207	1,780	21.6	32.3	9.2
West South Central	e	a	74	77,035	73,147	64,284	3,204	2,432	2,582	3,048	2,686	19.8	31.7	- 3.9
Mountain	e	e	22	13,097	12,485	10,506	549	357	518	650	418	24.7	53.8	23.9
Pacific	e	a	42	61,308	55,830	48,334	2,986	2,030	1,973	1,889	1,613	26.8	47.1	8.8

— DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of both full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

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WEST SOUTH CENTRAL—Ark., La., Okla., Tex.

MOUNTAIN—Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC—Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

MEATS AND PROVISIONS

WHOLESALE DISTRIBUTION

TABLE 3.-SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL, BY GEOGRAPHIC DIVISIONS

DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALEERS									
<u>UNITED STATES</u>	2,218	452	20	441,852	148,799	34	24,847	3,872	36
New England	274	58	21	68,940	21,433	31	3,448	1,251	36
Middle Atlantic	600	159	27	162,543	58,304	36	8,039	3,064	38
East North Central	572	104	18	103,293	35,714	35	6,450	2,305	36
West North Central	117	18	15	14,308	4,920	34	1,123	368	33
South Atlantic	183	27	15	34,416	9,833	29	1,983	586	30
East South Central	49	5	10	5,618	1,025	18	262	58	22
West South Central	98	14	14	10,845	3,562	33	682	239	35
Mountain	48	9	19	4,777	1,318	28	350	110	31
Pacific	277	58	21	37,112	12,690	34	2,510	891	35
MANUFACTURERS' SALES BRANCHES (with stocks)									
<u>UNITED STATES</u>	937	866	92	1,080,929	998,041	92	33,540	30,825	92
New England	1/	138		1/	135,223		1/	3,979	
Middle Atlantic	--	223		--	337,986		--	9,055	
East North Central	--	132		--	165,534		--	5,483	
West North Central	--	41		--	50,753		--	1,689	
South Atlantic	--	147		--	140,413		--	4,309	
East South Central	--	47		--	45,008		--	1,491	
West South Central	--	74		--	64,284		--	2,432	
Mountain	--	22		--	10,506		--	357	
Pacific	--	42		--	48,334		--	2,030	

* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 Census totals not available by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

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WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

1944

UNITED STATES DEPARTMENT OF COMMERCE

Harry L. Hopkins, Secretary

BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

OIL WELL SUPPLY HOUSES

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CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

OIL WELL SUPPLY HOUSES

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 341 identical establishments -- 228 service wholesalers and 103 manufacturers' sales branches -- for the years 1935, 1936, 1937, and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in the size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of the oil well supply trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones being omitted. Those with sales of less than \$25,000 for the year 1935 are likewise omitted, as they account for a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow up; hence, not all establishments contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling oil well supplies during the year 1935 and which continue to operate in a similar manner.

SIZE OF SAMPLE

A total of 228 service wholesalers and 103 manufacturers' sales branches are included in this Survey. The 228 service wholesalers represented 30 percent of the number and accounted for 49 percent of the business of all service wholesalers engaged primarily in selling oil well supplies during 1935. Similarly, the 103 manufacturers' sales branches constitute a sample of 69 percent in number and 68 percent in sales. A summary comparison follows:

Year	Service Wholesalers		Manufacturers' Sales Branches	
	Number of Estab- lishments	Net Sales	Number of Estab- lishments	Net Sales
1935 Census	759	\$152,273,000	150	\$28,038,000
1937-38 Survey	228	75,133,000	103	18,933,000
Percent Sample	30	49	69	68

238 Million Dollars For Service Wholesalers In 1937

Net sales of the 228 identical service wholesalers increased 22.2 percent from 1935 to 1936 and 28 percent from 1936 to 1937, or 56.8 percent between 1935 and 1937. Likewise, the business of the 103 manufacturers' sales branches increased 35.0 percent between 1935 and 1936 and 9.0 percent from 1936 to 1937, or 47.6 percent from 1935 to 1937. If the 56.8 percent increase is considered representative for all service wholesalers, their total sales for the year 1937 must have exceeded 238 million dollars. Similarly, the total for all manufacturers' sales branches approximated 41 million dollars. Sales of identical establishments for the years 1935, 1936 and 1937 are given on the following page.

SALES OF IDENTICAL ESTABLISHMENTS

Year	Service Wholesalers		Manufacturers' Sales Branches	
	Number of Establishments	Net Sales	Number of Branches	Net Sales
1935	228	\$ 75,133,000	103	\$18,933,000
1936	228	91,845,000	103	25,645,000
1937	228	117,789,000	103	27,941,000
Percent change, 1935 to 1937		56.8		47.6

Increases 1937 Over 1935

It is interesting to note that pay roll for the 103 manufacturers' sales branches increased relatively more than sales; 86.2 percent for pay roll as compared with 47.6 percent for sales. Inventories, however, were up only 15.0 percent. The 228 service wholesalers show an increase of 56.8 percent in sales as compared with 44.8 percent for pay roll and 46.6 percent for stocks.

	Percent increase, 1937 over 1935		
	Sales	Pay roll	Stocks (end of year)
103 Manufacturers' sales branches	47.6	86.2	15.0
228 Service and limited-function wholesalers	56.8	44.8	46.6

Quarterly Sales, 1937 and First Half of 1938

A measure of the short-term trend in the oil well supply trade is given in terms of quarterly sales for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

Period	Service Wholesalers		Manufacturers' Sales Branches	
	Net Sales	% change from preceding quarter	Net Sales	% change from preceding quarter
1st Qr. 1937	\$32,846,000	--	\$6,400,000	--
2nd Qr. 1937	31,021,000	- 5.6	7,784,000	+ 21.6
3rd Qr. 1937	29,376,000	- 5.3	7,227,000	- 7.2
4th Qr. 1937	24,546,000	- 16.4	6,530,000	- 9.6
1st Qr. 1938	22,773,000	- 7.2	5,974,000	- 8.5
2nd Qr. 1938	20,487,000	- 10.0	5,082,000	- 14.9
Percent change				
1st Qr. 1938 vs. 1st Qr. 1937	- 30.7		- 6.7	
2nd Qr. 1938 vs. 2nd Qr. 1937	- 34.0		- 34.7	
1st half 1938 vs. 1st half 1937	- 32.3		- 22.1	

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number included, together with their 1935 sales and pay roll, is compared by geographic divisions with the totals in 1935. For convenience in using the information the percent sample, of establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and stocks of the 228 service wholesalers and 103 manufacturers' sales branches for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

SIZE OF ESTABLISHMENT

Of the 228 service wholesalers included, 224 are classified as wholesale merchants or industrial distributors. These 224 merchants are arranged according to 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants specializing in oil well supplies for that year. As might be expected, the percent sample (percent of 1935 total reporting for 1937) both of establishments and sales is largest in the \$1,000,000-and-over group where 61 percent of the establishments accounting for 59 percent of sales are included, and decreases with size to 15 percent of establishments (and 20 percent of sales) in the under-\$100,000 bracket.

TABLE A. -SAMPLE BY SIZE OF ESTABLISHMENT--WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935 (add 000)		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net Sales
Total	754	224	\$147,559	\$70,726	30	48
\$1,000,000 and over	23	14	39,462	23,354	61	59
\$500,000 - \$999,999	39	23	27,150	16,007	59	59
\$300,000 - \$499,999	62	30	23,073	10,929	48	47
\$200,000 - \$299,999	73	31	17,364	7,346	42	42
\$100,000 - \$199,999	162	68	22,212	9,447	42	43
Under \$100,000	395	58	18,298	3,643	15	20

Increases By Size, 1937 Over 1935

Percentage increases in sales, pay roll and stocks -- 1937 over 1935 -- of the 224 wholesale merchants are shown in Table B, below, by size of establishment. It is interesting to note that smaller establishments show greater increases in sales than the larger ones. For example, sales of the 17 wholesale merchants under \$100,000 gained 145.5 percent and those \$100,000 - \$199,999 show an increase of 81.8 percent as compared with only 19.8 percent for the \$500,000 - \$999,999 group and 51.5 percent for the \$1,000,000-and-over bracket.

TABLE B. -INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
Total	224	+ 54.4	+ 45.3	+ 46.3
\$1,000,000 and over	14	+ 51.5	+ 56.9	+ 46.7
\$500,000 - \$999,999	23	+ 19.8	+ 36.4	+ 60.1
\$300,000 - \$499,999	30	+ 67.5	+ 63.3	+ 43.9
\$200,000 - \$299,999	31	+ 38.9	+ 38.5	+ 43.4
\$100,000 - \$199,999	68	+ 81.8	+ 32.1	+ 39.7
Under \$100,000	58	+145.5	+ 41.0	+ 43.2

Changes in size bracket, 1935 to 1937, are shown in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 24 houses were in the \$1,000,000-and-over group in 1937 as compared with only 14 in 1935. On the other hand, only 41 houses had sales of less than \$100,000 in 1937 as compared with 58 in 1935. A total of 97 moved up in classification while only 25 dropped to lower groups. Thirty-five establishments increased more than one size bracket.

TABLE C.--NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937
WHOLESALE MERCHANTS ONLY

Size of establishment (based on net sales)	Total (1935)	(1)	(2)	(3)	(4)	(5)	(6)
Total establishments, 1937	<u>224</u>	<u>24</u>	<u>38</u>	<u>40</u>	<u>29</u>	<u>52</u>	<u>41</u>
\$1,000,000 and over in 1935	<u>14</u>	<u>12</u>	<u>2</u>				
\$500,000 - \$999,999 in 1935	<u>23</u>	<u>8</u>	<u>11</u>	<u>2</u>	<u>1</u>	<u>1</u>	
\$300,000 - \$499,999 in 1935	<u>30</u>	<u>3</u>	<u>12</u>	<u>13</u>	<u>1</u>	<u>1</u>	
\$200,000 - \$299,999 in 1935	<u>31</u>		<u>4</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>1</u>
\$100,000 - \$199,999 in 1935	<u>68</u>	<u>1</u>	<u>3</u>	<u>14</u>	<u>16</u>	<u>26</u>	<u>8</u>
Under \$100,000	<u>58</u>		<u>6</u>	<u>1</u>	<u>3</u>	<u>16</u>	<u>32</u>

(1) \$1,000,000 and over in 1937

(2) \$500,000 - \$999,999 in 1937

(3) \$300,000 - \$499,999 in 1937

(4) \$200,000 - \$299,999 in 1937

(5) \$100,000 - \$199,999 in 1937

(6) Under \$100,000 in 1937

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show spot cash business; credit sales of 10 days or less; and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. As not all houses were able to supply the information, the number of establishments in these Tables is less than the total number included in the Survey.

Credit Period And Rate Of Discount

Table D classifies 221 service wholesalers and 103 manufacturers' sales branches according to usual credit periods and cash discount rate. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer.

As shown in the table, 60 days is the customary credit period for service wholesalers and also for manufacturers' sales branches, although 35 of the former and 10 of the latter sell on a 30 day basis. A cash discount of 2 percent is usually granted. However, 11 service wholesalers and 5 manufacturers' sales branches state that they bill net.

TABLE D.--ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of estab- lishments	Usual discount rate		
		Net*	2%	Discount granted, rate not stated
SERVICE WHOLESALERS				
Total establishments	<u>221</u>	<u>11</u>	<u>1/ 179</u>	<u>31</u>
30 days	<u>35</u>	<u>6</u>	<u>26</u>	<u>2</u>
60 days	<u>114</u>	<u>--</u>	<u>90</u>	<u>24</u>
Periods not stated	<u>72</u>	<u>5</u>	<u>63</u>	<u>5</u>
MANUFACTURERS' SALES BRANCHES				
Total establishments	<u>103</u>	<u>5</u>	<u>2/ 98</u>	<u>--</u>
30 days	<u>10</u>	<u>5</u>	<u>5</u>	<u>--</u>
60 days	<u>93</u>	<u>--</u>	<u>93</u>	<u>--</u>

* Cash discounts not usually granted.

1/ 13 establishments reported their discount period as 10 days; 8 as 10th proximo; 27 as 15th proximo; 118 as 20th proximo; and 13 as 30 days.

2/ 5 establishments reported their discount period as 10th proximo and 93 as 20th proximo.

Cash vs. Credit Sales

The cash credit division of 1937 sales is given in Table E. Practically all the oil well supply business (99.1 percent for service wholesalers and 98.9 percent for manufacturers' sales branches) is on credit for a period of more than 10 days.

TABLE E.-CASH-CREDIT ANALYSIS OF SALES

(Sales expressed in thousands of dollars)

Usual Credit Period	Usual discount rate			
	Total	Net	2%	Discount granted, rate not stated
SERVICE WHOLESALERS				
Number of establishments	221	11	179	31
Net sales (1937)	<u>\$112,686</u>	<u>\$2,228</u>	<u>\$95,768</u>	<u>\$14,690</u>
Spot cash	581	295	286	--
Credit 10 days or less	436	14	320	102
Credit more than 10 days	111,669	1,919	95,162	14,588
Percent of net sales				
Spot cash	0.5	13.2	0.3	0.0
Credit 10 days or less	0.4	0.6	0.3	0.7
Credit more than 10 days	99.1	86.2	99.4	99.3
	<u>Percent of credit sales discounted</u>			
Percent of all credit sales discounted (weighted average)			78.0	44.7
MANUFACTURERS' SALES BRANCHES				
Number of establishments	103	5	98	--
Net sales (1937)	<u>\$27,941</u>	<u>\$807</u>	<u>\$27,134</u>	--
Spot cash	316	--	316	--
Credit 10 days or less	--	--	--	--
Credit more than 10 days	27,625	807	26,818	--
Percent of net sales				
Spot cash	1.1	--	1.2	--
Credit 10 days or less	0.0	--	0.0	--
Credit more than 10 days	98.9	100.0	98.8	--
	<u>Percent of credit sales discounted</u>			
Percent of all credit sales discounted (weighted average)			72.8	

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Service wholesalers and manufacturers' sales branches on a 2 percent basis granted discounts on 78.0 percent and 72.8 percent respectively of their 1935 credit sales.

- 0 -

The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

OIL-WELL SUPPLY HOUSES

TABLE 1.--NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTABLISHMENTS %	NET * SALES %			1937				1938		1ST Q.R. 1937 To 1938	2ND Q.R. 1937 To 1938
					1ST Q.R. Jan. 1 Mar. 31	2ND Q.R. April 1 June 30	3RD Q.R. July 1 Sept. 30	4TH Q.R. Oct. 1 Dec. 31	1ST Q.R. Jan. 1 Mar. 31	2ND Q.R. April 1 June 30		
SERVICE AND LIMITED-FUNCTION WHOLESALERS												
UNITED STATES	30	49	228	\$117,789	\$32,846	\$31,021	\$29,376	\$24,546	\$22,773	\$20,487	-30.7	-34.0
Middle Atlantic	27	54	12	9,555	2,636	2,438	2,127	2,354	1,936	1,733	-26.6	-28.9
East North Central	19	37	8	3,111	754	1,064	731	562	496	503	-34.2	-52.7
West North Central	35	47	20	8,326	2,485	2,081	2,389	1,371	824	695	-66.8	-66.6
West South Central	32	52	138	73,828	20,265	19,801	18,779	14,983	14,266	12,818	-29.6	-35.3
Mountain	50	59	10	3,888	1,125	1,097	913	753	718	673	-36.2	-38.7
Pacific	26	39	36	16,208	4,679	3,641	3,784	4,104	4,324	3,791	- 7.6	+ 4.1
Other divisions	15	46	4	2,873	902	899	653	419	209	274	-76.8	-69.5
MANUFACTURERS' SALES BRANCHES (with stocks)												
UNITED STATES	69	68	103	27,941	6,400	7,784	7,227	6,530	5,974	5,082	- 6.7	-34.7
Middle Atlantic	1/	1/	6	1,939	495	523	445	476	262	228	-47.1	-56.4
East North Central	--	--	12	1,314	378	315	344	277	193	256	-48.9	-18.7
West North Central	--	--	10	2,728	647	834	793	454	361	276	-44.2	-66.9
South Atlantic	--	--	4	661	136	176	192	157	77	139	-43.4	-21.0
East South Central	--	--	3									
West South Central	--	--	53	17,714	4,054	4,980	4,516	4,164	4,291	3,358	+ 5.8	-32.6
Mountain	--	--	7	1,514	363	422	414	315	240	262	-33.9	-37.9
Pacific	--	--	8	2,071	327	534	523	687	550	563	+68.2	+ 5.4

+ INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

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PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

OIL-WELL SUPPLY HOUSES

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		No. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES (add 000)			PAY ROLL** (add 000)		STOCKS ON HAND END OF YEAR (add 000)			PERCENT INCREASE 1935 to 1937		
	ESTABLISHMENTS %	NET* SALES %		1937	1936	1935	1937	1935	1937	1936	1935	NET SALES	PAY ROLL	STOCKS
	SERVICE AND LIMITED-FUNCTION WHOLESALERS													
<u>UNITED STATES</u>	30	49	228	\$117,789	\$91,845	\$75,133	\$5,019	\$3,467	\$14,492	\$11,745	\$9,886	56.8	44.8	46.6
Middle Atlantic	27	54	12	9,555	7,881	5,545	802	503	1,000	744	689	72.3	59.4	45.1
East North Central	19	37	8	3,111	1,745	1,729	133	98	215	140	105	79.9	35.7	104.8
West North Central	35	47	20	8,326	6,467	3,879	182	107	1,377	982	782	114.6	70.1	76.1
West South Central	32	52	138	73,828	58,310	49,384	2,450	1,684	9,121	7,512	6,626	49.5	45.5	37.7
Mountain	50	59	10	3,888	4,574	2,686	94	65	702	622	528	44.8	44.6	33.0
Pacific	26	39	36	16,208	10,888	10,663	1,111	914	1,950	1,631	1,042	52.0	21.6	87.1
Other divisions	15	46	4	2,873	1,980	1,247	247	96	127	114	114	130.4	157.3	11.4
MANUFACTURERS' SALES BRANCHES (with stocks)														
<u>UNITED STATES</u>	69	68	103	27,941	25,645	18,933	1,940	1,042	7,046	7,144	6,128	47.6	86.2	15.0
Middle Atlantic	1/	1/	6	1,939	2,211	1,072	166	101	309	272	172	80.9	64.4	79.7
East North Central	--	--	12	1,314	991	948	102	53	406	344	256	38.6	92.5	58.6
West North Central	--	--	10	2,728	2,496	1,150	106	48	623	706	475	137.2	120.8	31.2
South Atlantic	--	--	4	561	793	508	55	34	229	195	142	30.1	61.8	61.3
East South Central	--	--	3											
West South Central	--	--	53	17,714	16,482	13,156	1,194	635	4,522	4,815	4,285	34.6	88.0	5.5
Mountain	--	--	7	1,514	1,467	1,211	68	55	517	495	515	25.0	23.6	0.4
Pacific	--	--	8	2,071	1,205	888	249	116	440	317	283	133.2	114.7	55.5

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of both full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States comprising Geographic Divisions:

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MIDDLE ATLANTIC--N. J., N. Y., Pa.

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MOUNTAIN--Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

OIL-WELL SUPPLY HOUSES

TABLE 3.-SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAYROLL, BY GEOGRAPHIC DIVISIONS

DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE

SERVICE AND LIMITED-FUNCTION WHOLESALERS

UNITED STATES	759	228	30	\$152,273	\$75,133	49	\$8,163	\$3,467	42
Middle Atlantic	44	12	27	10,338	5,545	54	730	503	69
East North Central	42	8	19	4,612	1,729	37	322	98	30
West North Central	57	20	35	8,178	3,879	47	339	107	32
West South Central	428	138	32	94,423	49,384	52	4,409	1,684	38
Mountain	20	10	50	4,526	2,686	59	112	65	58
Pacific	140	36	26	27,330	10,663	39	2,023	914	45
Other divisions 1/	27	4	15	2,691	1,247	46	198	96	48

MANUFACTURERS' SALES BRANCHES (with stocks)

UNITED STATES	150	103	69	28,038	18,933	68	1,392	1,042	75
Middle Atlantic	2/	2/	--	--	1,072	--	--	101	--
East North Central	--	12	--	--	948	--	--	53	--
West North Central	--	10	--	--	1,150	--	--	48	--
South Atlantic	--	4	--	--	508	--	--	34	--
East South Central	--	3	--	--	--	--	--	--	--
West South Central	--	53	--	--	13,156	--	--	635	--
Mountain	--	7	--	--	1,211	--	--	55	--
Pacific	--	8	--	--	888	--	--	116	--

* Pay roll includes compensation of full time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 figures for geographic divisions not represented in this survey are omitted.

2/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

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UNITED STATES DEPARTMENT OF COMMERCE

Daniel C. Roper, Secretary

BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

OPTICAL GOODS

**BUREAU OF THE CENSUS
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DECEMBER, 1938

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CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

OPTICAL GOODS

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 276 identical establishments -- 124 service wholesalers and 152 manufacturers' sales branches -- for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of the optical goods trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones since 1935 being omitted. Those with sales less than \$25,000 for the year 1935 were likewise omitted as they account for but a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow-up; hence, not all establishments contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling optical goods at wholesale during the year 1935 and which still operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935, respectively. Below is a comparison of the number of establishments and sales of service wholesalers and manufacturers' sales branches engaged primarily in selling optical goods.

	Service Wholesalers		Manufacturers' Sales Branches	
	Number of establishments	Net sales	Number of establishments	Net sales
1929 Census	256	\$24,555,000	Not available	
1933 Census	311	17,558,000	193	\$13,738,000
1935 Census	385	27,814,000	206	18,951,000
Percent change				
1929 to 1933	+ 21.5	- 28.5	--	--
1933 to 1935	+ 23.8	+ 58.4	+ 6.7	+ 37.9
Identical establishments in this Survey:				
1935	124	\$11,149,000	152	\$17,486,000
1936	124	13,289,000	152	21,093,000
1937	124	13,915,000	152	22,814,000
Percent change, identical establishments:				
1935 to 1936		+ 19.2		+ 20.6
1936 to 1937		+ 4.7*		+ 8.2

40 Percent Sample for Service Wholesalers

The 124 service wholesalers included in this Survey represented 32 percent of the total number and accounted for 40 percent of the sales of all service wholesalers specializing in the optical goods business in 1935. Likewise the 152 manufacturers' sales branches constitute a sample

of 74 percent of the number and 92 percent of sales for all sales branches in 1935.

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number of those included, together with their 1935 sales and pay roll, is compared by geographic divisions with the total in 1935. For convenience in using the information, the percent sample, establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and stocks of the 124 service wholesalers and the 152 manufacturers' sales branches for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

Quarterly Sales, 1937 and First Half of 1938

A measure of the short-term trend in the optical goods trade is given in terms of quarterly sales for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

124 Service Wholesalers			152 Manufacturers' Sales Branches	
<u>Period</u>	<u>Net sales</u>	<u>% change from preceding quarter</u>	<u>Net sales</u>	<u>% change from preceding quarter</u>
1st Qr. 1937	\$3,379,000	--	\$5,589,000	--
2nd Qr. 1937	3,435,000	+ 1.7	5,861,000	+ 4.9
3rd Qr. 1937	3,670,000	+ 6.8	6,095,000	+ 4.0
4th Qr. 1937	3,431,000	- 6.5	5,269,000	- 13.6
1st Qr. 1938	3,051,000	- 11.1	4,718,000	- 10.5
2nd Qr. 1938	2,983,000	- 2.2	4,698,000	- 0.4

SIZE OF ESTABLISHMENT

Of the 124 service wholesalers included in this Survey, 119 are classified as wholesale merchants of the conventional type and 5 as importers. The 119 wholesale merchants are arranged according to 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants specializing in optical goods during that year. The sample in this Survey (percent of 1935 total reporting for 1937), both number of establishments and sales, is smallest in the under \$50,000 bracket, and increases with the size. Only 21 percent of the number in the under \$50,000 bracket are included in the Survey as compared with 46 percent for the \$50,000 - \$99,999 group; 52 percent for the \$100,000 - \$199,999 classification; and 47 percent for the \$200,000-and-over bracket. The largest sample in terms of sales is in the \$200,000-and-over bracket, 52 percent, while the smallest is in the under-\$50,000 group, 31 percent.

TABLE A.-SAMPLE BY SIZE OF ESTABLISHMENT--WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
Total	377	119	\$26,665,000	\$10,359,000	32	39
\$200,000 and over	19	9	5,191,000	2,676,000	47	52
\$100,000 - \$199,999	48	25	6,499,000	3,491,000	52	54
\$50,000 - \$99,999	84	39	5,592,000	2,480,000	46	44
Under \$50,000	223	46	5,497,000	1,712,000	21	31

Increases by Size, 1937 over 1935

Percentage increases in sales, pay roll and stocks -- 1937 over 1935 -- of the 119 whole-sale merchants included in this Survey are shown in Table B, below, by size of establishment. It is interesting to note that in general the smaller establishments, those with sales less than \$100,000 in 1935, show better than average gains in business -- 28.9 percent for those under \$50,000 and 26.0 percent for the \$50,000 to \$99,999 group as compared with an average of 23.0 percent for all size brackets. Only the \$50,000 - \$99,999 bracket shows a larger gain in business than in pay roll or stocks -- 26.0 percent increase in sales as compared with 17.5 percent for pay roll and 11.4 percent for stocks.

TABLE B. -INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
Total	119	23.0	25.0	19.0
\$200,000 and over	9	22.3	25.2	28.1
\$100,000 - \$199,999	25	18.6	27.4	15.5
\$50,000 - \$99,999	39	26.0	17.5	11.4
Under \$50,000	46	28.9	30.2	19.1

Changes from one size bracket to another, 1935 to 1937, are shown in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 15 of the 119 houses were in the \$200,000-and-over group in 1937 as compared with only 9 in 1935. On the other hand only 29 houses had sales of less than \$50,000 in 1937, as compared with 46 in 1935. A total of 32 moved up in size brackets, while only 3 dropped to lower groups.

TABLE C. -NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937

Size of establishment (based on net sales)	Total establishments 1935	\$200,000 and over in 1937	\$100,000 to \$199,999 in 1937	\$50,000 to \$99,999 in 1937	Under \$50,000 in 1937
Total establishments, 1937	119	15	27	48	29
\$200,000 and over in 1935	9	9	--	--	--
\$100,000 - \$199,999	25	6	18	1	--
\$50,000 - \$99,999	39	--	7	30	2
Under \$50,000	46	--	2	17	27

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales 10 days or less, and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented for service wholesalers in Tables D and E. Not all houses were able to supply the information, hence, the number of establishments in these tables is less than the total number included in the Survey.

Credit Period and Rate of Discount

Table D classifies 121 of the 124 service wholesalers according to their usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also the classification as given here represents the policy of the house from which practice may vary.

As shown in Table D, the customary credit extension in the optical goods business is 30 days or end of the month. A cash discount of two percent is usually granted (reported by 96 of the 121 establishments analyzed) although 21 houses normally bill net. Four houses failed to state their rate of cash discount.

TABLE D. --121 SERVICE WHOLESALERS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of establishments	Usual discount rate		
		Net*	2%	Discount granted, rate not stated
SERVICE WHOLESALERS				
Total establishments	121	21	1/ 96	4
30 days	44	19	23	2
E.C.M.	37	--	37	--
Periods not stated	40	2	36	2

* Cash discount not usually granted.

1/ 66 establishments reported their discount period as 10 days; 24 as 10th proximo; and 6 as 30 days.

Cash vs. Credit Sales

The cash-credit division of 1937 sales is given in Table E. Approximately all sales are on credit for a period of more than 10 days (94.3 percent). "Spot cash" sales represent 4.1 percent of the total and credit of less than 10 days amounted to only 1.6 percent.

TABLE E. --CASH-CREDIT ANALYSIS OF SALES--121 SERVICE WHOLESALERS

Usual Credit Period	Total	Usual rate of discount		
		Net	2%	Discount granted, rate not stated
Number of establishments	121	21	96	4
Net sales (1937)	\$13,731,000	\$2,707,000	\$10,653,000	\$371,000
Spot cash	561,000	19,000	501,000	41,000
Credit 10 days or less	226,000	15,000	209,000	2,000
Credit more than 10 days	12,944,000	2,673,000	9,943,000	328,000
Percent of net sales				
Spot cash	4.1	0.7	4.7	11.1
Credit 10 days or less	1.6	0.6	2.0	0.5
Credit more than 10 days	94.3	98.7	93.3	88.4
Percent of credit sales discounted				
Percent of all credit sales discounted (weighted average)			67.6	27.8

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. The 96 houses selling on a two percent basis discounted 67.6 percent of their 1937 credit sales.

- 0 -

The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

OPTICAL GOODS

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)								PERCENT CHANGE	
	ESTABLISHMENTS %	NET SALES %			1937				1938		1ST Q. 1937	2ND Q. 1937		
					1ST Q. Jan. 1 Mar. 31	2ND Q. April 1 June 30	3RD Q. July 1 Sept. 30	4TH Q. Oct. 1 Dec. 31	1ST Q. Jan. 1 Mar. 31	2ND Q. April 1 June 30	To 1ST Q. 1938	To 2ND Q. 1938		
SERVICE AND LIMITED-FUNCTION WHOLESALEERS														
UNITED STATES	32	40	124	\$13,915	\$3,379	\$3,435	\$3,670	\$3,431	\$3,051	\$2,983	- 9.7	-13.2		
New England	43	74	12	1,455	345	352	378	380	290	307	-15.9	-12.8		
Middle Atlantic	41	53	43	5,198	1,296	1,290	1,306	1,306	1,058	1,061	-18.4	-17.8		
East North Central	14	26	14	2,627	644	651	719	613	652	586	+ 1.2	-10.0		
West North Central	24	24	13	986	218	235	292	241	242	221	+11.0	- 6.0		
South Atlantic	64	79	16	1,402	352	349	370	331	315	325	-10.5	- 6.9		
Mountain	53	76	8	582	131	146	159	146	125	123	- 4.6	-15.8		
Pacific	38	28	12	1,270	307	317	328	318	279	274	- 9.1	-13.6		
Other Divisions	22	24	6	395	86	95	118	96	90	86	+ 4.7	- 9.5		
MANUFACTURERS' SALES BRANCHES (with stocks)														
UNITED STATES	1/ 74	1/ 92	152	22,814	5,589	5,861	6,095	5,269	4,718	4,698	-15.6	-19.8		
New England	--	--	16	1,904	504	475	465	460	376	394	-25.4	-17.1		
Middle Atlantic	--	--	22	6,780	1,671	1,797	1,721	1,591	1,393	1,435	-16.6	-20.1		
East North Central	--	--	31	4,935	1,241	1,277	1,349	1,068	971	911	-21.8	-28.7		
West North Central	--	--	19	2,624	617	648	755	604	567	509	- 8.1	-21.5		
South Atlantic	--	--	21	1,887	469	469	512	437	414	402	-11.7	-14.3		
East South Central	--	--	10	825	196	203	231	195	179	182	- 8.7	-10.3		
West South Central	--	--	15	1,763	402	430	511	420	393	409	- 2.2	- 4.9		
Mountain	--	--	4	429	101	109	117	102	81	79	-19.8	-27.5		
Pacific	--	--	14	1,667	388	453	434	392	344	377	-11.3	-16.8		

+ INCREASE

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

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PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

OPTICAL GOODS

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES (add 000)			PAY ROLL** (add 000)		STOCKS ON HAND END OF YEAR (add 000)			PERCENT INCREASE 1935 to 1937		
	ESTABLISHMENTS %	NET* SALES %		1937	1936	1935	1937	1935	1937	1936	1935	NET SALES	PAY ROLL	STOCKS
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
UNITED STATES	32	40	124	\$13,915	\$13,289	\$11,149	\$3,382	\$2,683	\$2,332	\$2,153	\$1,954	24.8	26.1	19.3
New England	43	74	12	1,455	1,387	1,212	244	212	232	218	221	20.0	15.1	5.0
Middle Atlantic	41	53	43	5,198	5,092	4,107	1,238	985	961	889	803	26.6	25.7	13.7
East North Central	14	26	14	2,627	2,344	2,078	795	610	484	396	367	26.4	30.3	31.9
West North Central	24	24	13	986	948	807	326	250	126	132	90	22.2	30.4	40.0
South Atlantic	64	79	16	1,402	1,298	1,099	265	197	221	199	181	27.6	34.5	22.1
Mountain	53	76	8	582	565	496	147	130	72	71	67	17.3	13.1	7.5
Pacific	38	28	12	1,270	1,296	1,060	277	226	187	204	181	19.8	22.6	3.3
Other Divisions	22	24	6	395	359	290	90	73	49	44	44	36.2	23.3	11.4
MANUFACTURERS' SALES BRANCHES (with stocks)														
UNITED STATES	1/74	1/92	152	22,814	21,093	17,486	3,725	3,082	4,546	3,624	3,088	30.5	20.9	47.2
New England	--	--	15	1,904	1,774	1,593	313	288	305	278	233	19.5	8.7	30.9
Middle Atlantic	--	--	22	6,780	6,068	4,682	884	650	1,636	1,217	1,104	44.8	36.0	48.2
East North Central	--	--	31	4,935	4,595	3,901	851	704	1,103	900	708	26.5	20.9	55.8
West North Central	--	--	19	2,624	2,501	2,103	483	431	474	386	334	24.8	12.1	41.9
South Atlantic	--	--	21	1,887	1,698	1,416	369	324	358	273	244	33.3	13.9	46.7
East South Central	--	--	10	825	778	664	173	161	112	108	97	24.2	7.5	15.5
West South Central	--	--	15	1,763	1,597	1,313	304	253	292	230	178	34.3	20.2	64.0
Mountain	--	--	4	429	397	361	78	77	88	70	58	18.8	1.3	51.7
Pacific	--	--	14	1,667	1,685	1,453	270	194	178	162	132	14.7	39.2	34.8

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of both full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

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CENSUS SURVEY OF BUSINESS: 1937-38

OPTICAL GOODS

WHOLESALE DISTRIBUTION

TABLE 3.-SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS

DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALERS									
<u>UNITED STATES</u>	385	124	32	\$27,814	\$11,149	40	\$6,504	\$2,683	41
New England	28	12	43	1,638	1,212	74	320	212	66
Middle Atlantic	106	43	41	7,757	4,107	53	1,734	985	57
East North Central	98	14	14	8,047	2,078	26	2,141	610	28
West North Central	54	13	24	3,313	807	24	815	250	31
South Atlantic	25	16	64	1,396	1,099	79	274	197	72
Mountain	15	8	53	649	496	76	148	130	88
Pacific	32	12	38	3,794	1,060	28	812	226	28
Other Divisions	27	6	22	1,220	290	24	260	73	28

MANUFACTURERS' SALES BRANCHES (with stocks)

<u>UNITED STATES</u>	1/ 206	152	74	1/ 18,951	17,486	92	1/ 3,542	3,082	87
New England	--	16	--	--	1,593	--	--	288	--
Middle Atlantic	--	22	--	--	4,682	--	--	650	--
East North Central	--	31	--	--	3,901	--	--	704	--
West North Central	--	19	--	--	2,103	--	--	431	--
South Atlantic	--	21	--	--	1,416	--	--	324	--
East South Central	--	10	--	--	664	--	--	161	--
West South Central	--	15	--	--	1,313	--	--	253	--
Mountain	--	4	--	--	361	--	--	77	--
Pacific	--	14	--	--	1,453	--	--	194	--

* Pay roll includes compensation of both full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 Census figures not available by geographic divisions.

States Comprising Geographic Divisions:

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UNITED STATES DEPARTMENT OF COMMERCE

Harry L. Hopkins, Secretary

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CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

PAINTS AND VARNISHES

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CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

PAINTS AND VARNISHES

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of 140 identical service wholesalers and 148 manufacturers' sales branches for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in the size of establishments, 1935 to 1937, are shown, establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

Unlike regular Censuses of Business, this Survey is not intended to present a complete picture of the paint and varnish trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones being omitted. Those with sales of less than \$25,000 for the year 1935 were likewise omitted, as they account for only a negligible portion of the total business. Reporting was purely on a voluntary basis with only one reminder follow up; hence, not all establishments contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling paints and varnishes at wholesale during the year 1935 and which continue to operate in a similar manner.

SIZE OF SAMPLE

A total of 140 service wholesalers and 148 manufacturers' sales branches are included in this Survey. The 140 service wholesalers represented 18 percent of the number and accounted for 27 percent of the business of all service and limited-function wholesalers engaged primarily in selling paints and varnishes in 1935. Similarly, the 148 manufacturers' sales branches constitute a sample of 56 percent in number and 44 percent in sales. A summary comparison follows:

	Service and Limited- Function Wholesalers		Manufacturers' Sales Branches	
	Number of Estab- lishments	Net Sales	Number of Estab- lishments	Net Sales
1935 Census	772	\$66,328,000	265	\$168,189,000
1937-38 Survey	140	18,095,000	148	74,334,000
Percent sample	18	27	56	44

Substantial Increases In Sales

Net sales of 140 identical service wholesalers increased 14.7 percent from 1935 to 1936 and 6.4 percent from 1936 to 1937, or 22.0 percent between 1935 and 1937. Likewise, the business of the 148 manufacturers' sales branches increased 20.4 percent between 1935 and 1936 and 15.4 percent from 1936 to 1937 or 39.0 percent from 1935 to 1937. Sales of the identical establishments for the years 1935, 1936 and 1937 are given below:

	Service Wholesalers		Manufacturers' Sales Branches	
Year	Number of Estab- lishments	Net Sales	Number of Estab- lishments	Net Sales
1935	140	\$18,095,000	148	\$ 74,334,000
1936	140	20,747,000	148	89,476,000
1937	140	22,069,000	148	103,289,000
Percent change, 1935 to 1937		22.0		39.0

234 Million Dollars For Manufacturers' Sales Branches In 1937

If the 1937 increase of 39.0 percent in sales over 1935, as found in this Survey for sales branches, is considered representative, total sales of all manufacturers' sales branches engaged primarily in selling paints and varnishes at wholesale exceeded 234 million dollars in 1937. Likewise, if the 22.0 percent increase in sales for service wholesalers is considered representative, the sales of all service and limited-function wholesalers must have approximated 81 million dollars in 1937.

Pay Roll Increased More Than Sales

It is significant to note that pay roll (including salaries of executive and corporation officers) of service wholesalers increased more than sales between 1935 and 1937 -- 32.7 percent for pay roll as compared with 22.0 percent for sales -- with the result that it increased from \$12.10 for every one hundred dollars of sales in 1935 to \$13.20 per hundred in 1937. In the case of manufacturers' sales branches, both sales and pay roll were up 39.0 percent between 1935 and 1937. Percentage increases (1937 over 1935) in sales, pay roll and stocks are given below:

Type of Establishment	Percent increase, 1937 over 1935		
	Sales	Pay roll	Stocks (end of year)
140 Service wholesalers	22.0	32.7	15.8
148 Manufacturers' sales branches	39.0	39.0	21.5

Quarterly Sales, 1937 and First Half of 1938

A measure of the short-term trend in the wholesale paint and varnish trade is given in terms of quarterly sales for the 140 service wholesalers and 148 manufacturers' sales branches covering the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

Period	Service and Limited- Function Wholesalers	Manufacturers' Sales Branches
Number of establishments included	140	148
Percent increase (+) or decrease (-) in sales		
1st Qr. to 2nd Qr. 1937	+ 57.7	+ 15.9
2nd Qr. to 3rd Qr. 1937	- 18.8	+ 13.6
3rd Qr. to 4th Qr. 1937	- 24.7	- 19.7
4th Qr. 1937 to 1st Qr. 1938	- 6.1	- 20.2
1st Qr. 1938 to 2nd Qr. 1938	+ 50.7	+ 3.0
1st Qr. 1938 vs. 1st Qr. 1937	- 9.4	- 15.7
2nd Qr. 1938 vs. 2nd Qr. 1937	- 13.4	- 25.0

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table the number of those included, together with 1935 sales and pay roll, is compared by geographic divisions with the totals in 1935. For convenience in using the information the percent sample, of establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and stocks of the 140 service and limited-function wholesalers and the 148 manufacturers' sales branches for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

SIZE OF ESTABLISHMENT

Of the 140 service wholesalers included in the Survey, 138 are classified as wholesale merchants and 2 as importers. The 138 wholesale merchants are arranged according to their 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants specializing in paints and varnishes for that year. As might be expected, a greater percentage of larger establishments are included than of smaller ones. For example, 14 of the 42 establishments (33%) with sales of \$300,000-and-over and 40 of the 138 houses (29%) from \$100,000 to \$299,999 are included, as compared with only 40 of 442 establishments (9%) with sales of less than \$50,000 in 1935.

TABLE A.-SAMPLE BY SIZE OF ESTABLISHMENT-WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales - 1935 (add 000)		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net Sales
Total	766	138	\$65,051	\$17,707	18	27
\$300,000 and over	42	14	22,597	6,298	33	28
\$100,000 - \$299,999	138	40	22,560	6,832	29	30
\$50,000 - \$99,999	144	44	10,267	3,112	31	30
Under \$50,000	442	40	9,627	1,465	9	15

Increases By Size, 1937 Over 1935

Percentage increase in sales, pay roll and stocks -- 1937 over 1935 -- are shown for the 138 wholesale merchants in Table B, by size of establishment. While all size classifications show substantial increases in sales, the largest gain is found in the under \$50,000 group; 46.4 percent as compared with an average gain of 22.3 percent for all establishments. In general, the lower brackets show better gains in business than the upper ones.

TABLE B.-INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks (end of year)
WHOLESALE MERCHANTS ONLY				
Total	138	22.3	32.5	15.4
\$300,000 and over	14	21.6	30.4	12.5
\$100,000 - \$299,999	40	18.1	32.3	18.5
\$50,000 - \$99,999	44	21.5	28.6	11.6
Under \$50,000	40	46.4	52.3	23.4

Changes of establishments from one size bracket to another, 1935 to 1937, are shown for the 138 wholesale merchants in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper brackets. For example, 20 establishments were in the \$300,000-and-over group in 1937 as compared with only 14 in 1935. On the other hand, 40 houses had sales less than \$50,000 in 1935 as compared with only 20 in 1937. A total of 43 establishments moved up in classification while only 2 dropped to lower groups.

TABLE C.-NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937

Size of establishment (based on net sales)	Total establishments 1935	\$300,000- and over in 1937	\$100,000- \$299,999 in 1937	\$50,000- \$99,999 in 1937	Under \$50,000 in 1937
Total establishments, 1937	138	20	49	49	20
\$300,000 and over in 1935	14	14			
\$100,000 - \$299,999 in 1935	40	6	34		
\$50,000 - \$99,999 in 1935	44		15	27	2
Under \$50,000 in 1935	40			22	18

TABLE E. --CASH-CREDIT ANALYSIS OF SALES
(Sales expressed in thousands of dollars)

Usual Credit Period	Total number of estab- lishments	Usual discount rate				
		Net	1%	2%	Combina- tion of rates	Discount granted, rate not stated
SERVICE WHOLESALERS						
Number of establishments	135	5	10	101	14	5
Net sales (1937)	\$20,946	\$286	\$1,423	\$14,893	\$3,979	\$365
Spot cash	2,167	37	36	1,648	335	111
Credit 10 days or less	886	28	104	524	222	8
Credit more than 10 days	17,893	221	1,283	12,721	3,422	246
Percent of net sales						
Spot cash	10.4	12.9	2.5	11.1	8.4	30.4
Credit 10 days or less	4.2	9.8	7.3	3.5	5.6	2.2
Credit more than 10 days	85.4	77.3	90.2	85.4	86.0	67.4
Percent of credit sales discounted						
Percent of all credit sales discounted (weighted average)			63.3	45.7	53.5	16.8
MANUFACTURERS' SALES BRANCHES						
Number of establishments	143	--	3	96	44	--
Net sales (1937)	\$97,780	--	\$4,960	\$33,071	\$59,749	--
Spot cash	1,225	--	39	913	273	--
Credit 10 days or less	4,431	--	920	129	3,382	--
Credit more than 10 days	92,124	--	4,001	32,029	56,094	--
Percent of net sales						
Spot cash	1.3	--	0.8	2.8	0.4	--
Credit 10 days or less	4.5	--	18.5	0.4	5.7	--
Credit more than 10 days	94.2	--	80.7	96.8	93.9	--
Percent of credit sales discounted						
Percent of all credit sales discounted (weighted average)			81.9	60.1	43.9	

Credit Sales Discounted

The extent to which customers take advantage of cash discounts is also shown in Table E. Service wholesalers selling on a one percent basis granted discounts on 63.3 percent of their 1937 credit sales and those allowing two percent discounted on 45.7 percent of their 1937 business. The manufacturers' sales branches selling on a one percent basis granted discounts on 81.9 percent and those granting two percent allow discounts on 60.1 percent of their 1937 credit sales.

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The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

PAINTS AND VARNISHES

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SAMPLE BASED ON 1935 CENSUS		NO. OF ESTAB- LISH- MENTS REPORT- ING 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTAB- LISH- MENTS %	NET SALES %			1937				1938		1ST Q.R. 1937 To 1ST Q.R. 1938	2ND Q.R. 1937 To 2ND Q.R. 1938
					1ST Q.R. Jan. 1 Mar. 31	2ND Q.R. April 1 June 30	3RD Q.R. July 1 Sept. 30	4TH Q.R. Oct. 1 Dec. 31	1ST Q.R. JAN. 1 MAR. 31	2ND Q.R. APRIL 1 JUNE 30		
SERVICE AND LIMITED-FUNCTION WHOLESALERS												
<u>UNITED STATES</u>	18	27	140	\$22,069	\$4,575	\$7,216	\$5,863	\$4,415	\$4,146	\$6,250	- 9.4	-13.4
New England	15	24	8	1,172	262	371	292	247	225	348	-14.1	- 6.2
Middle Atlantic	17	19	36	4,652	907	1,446	1,237	1,062	826	1,268	- 8.9	-12.3
East North Central	25	39	52	8,409	1,712	2,875	2,262	1,560	1,451	2,388	-15.2	-16.9
West North Central	24	44	23	4,249	939	1,452	1,105	753	919	1,275	- 2.1	-12.2
South Atlantic	16	36	8	1,991	423	594	532	442	400	544	- 5.4	- 8.4
Pacific	8	13	7	765	163	218	207	177	150	204	- 8.0	- 6.4
Other Divisions	11	10	6	831	169	260	228	174	175	223	+ 3.6	-14.2
MANUFACTURERS' SALES BRANCHES (with stocks)												
<u>UNITED STATES</u>	56	44	148	103,289	22,797	26,412	30,002	24,078	19,222	19,802	-15.7	-25.0
New England	a	a	10	8,691	2,276	2,298	2,463	1,654	1,634	1,700	-28.2	-26.0
Middle Atlantic	a	a	17	16,458	3,677	4,219	4,587	3,975	3,106	2,916	-15.5	-30.9
East North Central	a	a	29	33,381	7,606	8,858	9,694	7,223	5,994	6,130	-21.2	-30.9
West North Central	a	a	14	6,456	1,364	1,332	2,147	1,613	1,215	975	-10.9	-26.8
South Atlantic	a	a	10	6,832	1,489	1,793	1,957	1,593	1,409	1,396	- 5.4	-22.1
East South Central	a	a	5	6,293	1,327	1,365	1,893	1,708	1,270	1,221	- 4.3	-10.6
West South Central	a	a	4									
Mountain	a	a	8									
Pacific	a	a	51	25,178	5,058	6,547	7,261	6,312	4,594	5,464	- 9.2	-16.5

+INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

a Figures not available for year 1935.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

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PACIFIC--Calif., Oreg., Wash.

PAINTS AND VARNISHES

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES (add 000)			PAY ROLL** (add 000)		STOCKS ON HAND END OF YEAR (add 000)			PERCENT INCREASE 1935 to 1937		
	ESTABLISHMENTS %	NET* SALES %		1937	1936	1935	1937	1935	1937	1936	1935	NET SALES	PAY ROLL	STOCKS
SERVICE AND LIMITED-FUNCTION WHOLESALESA														
<u>UNITED STATES</u>	18	27	140	\$22,069	\$20,747	\$18,095	\$2,908	\$2,192	\$4,185	\$4,036	\$3,615	22.0	32.7	15.8
New England	15	24	8	1,172	1,134	1,065	177	145	235	262	235	10.0	22.1	0.0
Middle Atlantic	17	19	36	4,652	4,452	4,022	562	485	1,022	1,009	831	15.7	15.9	23.0
East North Central	25	39	52	8,409	7,842	6,475	1,197	831	1,433	1,366	1,272	29.9	44.0	12.7
West North Central	24	44	23	4,249	3,931	3,471	540	386	792	724	706	22.4	39.9	12.2
South Atlantic	16	36	8	1,991	2,018	1,832	237	185	379	390	291	8.7	28.1	30.2
Pacific	8	13	7	765	629	581	86	65	98	80	85	31.7	32.3	15.3
Other Divisions	11	10	6	831	741	649	109	95	226	205	195	28.0	14.7	15.9
MANUFACTURERS' SALES BRANCHES														
<u>UNITED STATES</u>	56	44	148	103,289	89,476	74,334	9,128	6,566	12,608	10,471	10,378	39.0	39.0	21.5
New England	a	a	10	8,691	7,709	6,107	642	523	527	452	414	42.3	22.8	27.3
Middle Atlantic	a	a	17	16,458	14,394	12,129	1,125	893	1,654	1,303	1,134	35.7	26.0	45.9
East North Central	a	a	29	33,381	29,264	23,371	2,604	1,849	2,817	2,518	2,865	42.8	40.8	1.7
West North Central	a	a	14	6,456	5,540	4,349	491	387	684	643	558	48.4	26.9	22.6
South Atlantic	a	a	10	6,832	5,438	5,110	549	374	543	446	474	33.7	46.8	14.6
East South Central	a	a	5	6,293	5,395	4,974	505	375	846	732	709	26.5	34.7	19.3
West South Central	a	a	4											
Mountain	a	a	8											
Pacific	a	a	51	25,178	21,736	18,294	3,212	2,165	5,537	4,377	4,224	37.6	48.4	31.1

- DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

a Figures not available for year 1935.

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CENSUS SURVEY OF BUSINESS: 1937-38

PAINTS AND VARNISHES

WHOLESALE DISTRIBUTION

TABLE 3.-SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL, BY GEOGRAPHIC DIVISIONS

DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALEERS									
<u>UNITED STATES</u>	772	140	18	\$ 66,328	\$18,095	27	\$ 7,931	\$2,192	28
New England	55	8	15	4,517	1,065	24	580	145	25
Middle Atlantic	216	36	17	21,086	4,022	19	2,035	485	24
East North Central	212	52	25	16,683	6,475	39	2,474	831	34
West North Central	94	23	24	7,919	3,471	44	969	386	40
South Atlantic	50	8	16	5,028	1,832	36	559	185	33
Pacific	89	7	8	4,573	581	13	463	65	14
Other Divisions	56	6	11	6,522	649	10	851	95	11

MANUFACTURERS' SALES BRANCHES

<u>UNITED STATES</u>	265	148	56	168,189	74,334	44	12,802	6,566	51
New England	<u>1/</u>	10	--	<u>1/</u>	6,107	--	<u>1/</u>	523	--
Middle Atlantic	--	17	--	--	12,129	--	--	893	--
East North Central	--	29	--	--	23,371	--	--	1,849	--
West North Central	--	14	--	--	4,349	--	--	387	--
South Atlantic	--	10	--	--	5,110	--	--	374	--
East South Central	--	5	--	--	3,699	--	--	250	--
West South Central	--	4	--	--	--	--	--	--	--
Mountain	--	8	--	--	1,275	--	--	125	--
Pacific	--	51	--	--	18,294	--	--	2,165	--

* Pay roll includes compensation of full time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 figures not available by geographic divisions.

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PACIFIC--Calif., Oreg., Wash.

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UNITED STATES DEPARTMENT OF COMMERCE

Daniel C. Roper, Secretary

BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

TOBACCO AND ITS PRODUCTS (except leaf)

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CENSUS SURVEY OF BUSINESS: 1937-38

Wholesale Distribution

TOBACCO AND ITS PRODUCTS (except leaf)

This is one of a series of final reports presenting the findings of the Census Survey of Business of 1937-38. Contained herein are dollar sales of identical tobacco wholesalers for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937; and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in the size of establishments, 1935 to 1937, are shown; wholesalers are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

Unlike regular Censuses of Business, this Survey is not intended to present a complete picture of wholesale trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones since 1935 being omitted. Those with sales less than \$25,000 for the year 1935 were likewise omitted, as they constitute but a small proportion of total sales. Reporting was purely on a voluntary basis with only one reminder follow-up; hence, not all wholesalers who were contacted submitted returns. This report, in order to provide reliable trend information, is further limited to those establishments engaged primarily in selling tobacco and its products at wholesale during the year 1935 which still operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935 respectively. Below is a comparison of the number of service and limited-function (cash-and-carry wholesalers and wagon distributors) wholesalers engaged primarily in selling tobacco and its products, together with their sales, pay roll and stocks on hand at the end of the year:

	Number of Establishments	Net Sales	Pay Roll	Stocks (end of year)
1929	1,721	\$858,329,000	\$26,182,000	\$47,495,000
1933	1,739	\$526,405,000	\$15,531,000	\$31,310,000
1935	2,253	\$783,368,000	\$21,547,000	\$40,902,000

Percent change, all establishments:

1929 to 1933	+ 1.0	- 38.7	- 40.7	- 34.1
1933 to 1935	+ 29.6	+ 48.8	+ 38.7	+ 30.6

Identical establishments in this Survey:

1935	309	\$202,569,000	\$ 5,648,000	\$ 9,882,000
1936	309	\$224,645,000	not available	\$11,419,000
1937	309	\$244,780,000	\$ 6,545,000	\$11,867,000

Percent change, identical establishments:

1935 to 1937	+ 20.8	+ 15.9	+ 20.1
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The 309 wholesalers included in this report represented 14 percent of the total number and accounted for 26 percent of the sales of all service and limited-function tobacco wholesalers in 1935.

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 total. In this table the number, together with 1935 sales and pay roll, of those included is compared by geographic divisions with the totals in the 1935 Census. For convenience in using the information, the percent sample of establishments and sales is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and stocks of the 309 wholesalers for the years 1935, 1936 and 1937 and on pay roll for the years 1935 and 1937.

Quarterly sales, 1937 and the first half of 1938

A measure of the short-term trend in the wholesale tobacco business is given in terms of quarterly sales of the 309 establishments for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

<u>Period</u>	<u>Net Sales</u>	<u>Percent change from preceding quarter</u>
1st Qr. 1937	\$52,570,000	--
2nd Qr. 1937	\$62,644,000	+ 19.2
3rd Qr. 1937	\$65,684,000	+ 4.9
4th Qr. 1937	\$63,882,000	- 2.7
1st Qr. 1938	\$53,961,000	- 15.5
2nd Qr. 1938	\$61,676,000	+ 14.3

SIZE OF ESTABLISHMENT

The 309 wholesalers included in this report are classified on the basis of functions performed or type of operation as follows: 274 as service wholesalers, 27 as cash-and-carry wholesalers and 8 as wagon distributors. The 274 service wholesalers are grouped according to 1935 size in Table A, below, and are compared with all service wholesalers in that year. Approximately one-third of all establishments (46 of 148) which had sales in 1935 of more than \$1,000,000 each are included in this Survey as compared with less than one-tenth (46 of 640) of those under \$100,000. The latter group includes those with sales of less than \$25,000, which were omitted from the canvass. The 46 largest houses accounted for 38 percent of the total business of that size group in 1935.

TABLE A. --ANALYSIS OF SAMPLE BY SIZE OF ESTABLISHMENT

Size group (net sales in 1935)	Number of Establishments		Net Sales-1935 (add 000)		Percent Sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net Sales
Total	1,914	274	\$744,644	\$199,083	14	27
\$1,000,000 and over	148	46	\$328,732	\$123,447	31	38
\$500,000 - \$999,999	250	60	\$170,813	\$ 40,606	24	24
\$200,000 - \$499,999	532	81	\$168,779	\$ 26,209	15	16
\$100,000 - \$199,999	344	41	\$ 49,603	\$ 6,167	12	12
Under \$100,000	640	46	\$ 26,717	\$ 2,654	7	10

Increases by size, 1937 over 1935

Percentage increases between 1935 and 1937 in sales, pay roll and stocks are shown in Table B, below, by size of establishment. Smaller establishments show better than average gains in sales and at the same time were able to keep their inventories relatively low.

**TABLE B. -INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT**

Size of Establishment (net sales in 1935)	Number of Establishments	Percent increase, 1937 over 1935		
		Sales	Pay Roll	Stocks
Total	274	20.9	15.8	19.4
\$1,000,000 and over	46	16.6	14.8	24.1
\$500,000 - \$999,999	60	22.5	14.2	13.0
\$200,000 - \$499,999	81	36.2	23.4	15.2
\$100,000 - \$199,999	41	21.9	11.2	4.5
Under \$100,000	46	37.5	18.5	10.0

Changes in size brackets, 1935 to 1937, are shown in Table C. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 46 houses had sales of less than \$100,000 in 1935, whereas in 1937 only 35 were in this bracket. Likewise, 57 were in the \$1,000,000-and-over group in 1937 as compared with only 46 in 1935. A total of 58 moved up in classification while only 7 dropped to lower groups. Four establishments increased as much as two size brackets.

TABLE C. -NUMBER OF ESTABLISHMENTS BY SIZE CLASSIFICATION; 1935 AND 1937

Size of Establishment (based on net sales)	Total 1935	\$1,000,000 and over in 1937	\$500,000- \$999,999 in 1937	\$200,000- \$499,999 in 1937	\$100,000- \$199,999 in 1937	Under \$100,000 in 1937
Total establishments, 1937	274	57	68	76	38	35
\$1,000,000 and over in 1935	46	43	3			
\$500,000 - \$999,999 in 1935	60	11	49			
\$200,000 - \$499,999 in 1935	81	3	16	60	2	
\$100,000 - \$199,999 in 1935	41			15	24	2
Under \$100,000 in 1935	46			1	12	33

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business; credit sales 10 days or less and credit of more than ten days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. Of the 274 houses, 257 supplied this information.

Credit period and rate of discount

Table D shows the 257 houses classified according to their usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold or with the customer. Also the classification as given here represents the policy of the house from which practice may vary. Some of the most frequent credit periods in the tobacco trade in order are: 30 days, reported by 102 houses; spot cash (credit not usually extended), 59 houses; while 41 establishments reported a combination of periods no one of which predominated and 21 sold on a 10 day basis.

Of the 257 houses, 116 stated that they did not usually grant cash discounts, while 70 reported their prevailing rate as 2 percent. Five establishments reported other rates of cash discount, ranging from 1 to 8 percent, and 16 stated that their rates varied with commodities and customers, no one rate prevailing. Fifty indicated that they granted cash discount but failed to report a prevailing rate.

TABLE D. --WHOLESALE CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual credit period	Total number of Estab-lishments	Net*	2%	Other rates (1-5-7-etc.)	Combina-tion of rates <u>2</u> /	Discount granted, rate not stated
Total establishments	257	116	70**	5	16	50
Spot cash (credit not usually granted)	59	59				
7 days	8	6				2
10 days	21	9	3	2	1	1
15 days	5			1	2	2
30 days	102	14	54			34
Other periods	9	1	8			
Combination of periods <u>1</u> /	41	23		2	13	3
Periods not stated	12	4				8

* Cash discount not usually granted.

** 8 establishments reported their usual terms as 2/10, n/10; 3 as 2/7, n/30; 22 as 2/10, n/30; 8 as 2/15, n/30; 21 as 2/30, n/30; 8 reported other terms.

1/ Period varies with commodity and customer.

2/ Rate differs with commodity and customer; no customary rate.

Cash vs. credit sales

The 257 wholesalers reported the cash-credit division of their 1937 sales as follows: one-fourth (22.9%) as "spot cash"; one-fourth (26.5%) credit of ten days or less; and one-half (50.6%) as credit of more than ten days. Those selling on a net basis, including 11 cash-and-carry wholesalers, consistently reported the largest percentage of spot cash business (32.8%) but the portion of their business on credit of ten days or less was small (10.5%). The effect of the 2 percent cash discount rate is clearly shown in Table E where it is found that 65.7 percent of all sales of houses selling on this basis are for cash or on credit of no over ten days while all other classes reported over 50 percent credit for a longer period. Houses varying their rates of discount show the largest percentage of sales for credit of more than ten days.

TABLE E. --CASH-CREDIT ANALYSIS OF SALES OF 257 WHOLESALERS
(Sales expressed in thousands of dollars)

Credit period	Total	Usual rate of discount				
		Net	%	Other rates (1-5-7-etc.)	Combina- tion of rates	Discount granted, rate not stated
Number of establishments	257	116	70	5	16	50
Net sales (1937)	\$217,750	\$74,600	\$91,901	\$1,188	\$13,989	\$36,072
Spot cash	49,933	24,415	14,802	134	3,068	7,514
Credit 10 days or less	57,707	7,863	45,581	456	381	3,426
Credit more than 10 days	110,110	42,322	31,518	598	10,540	25,132
Percent of net sales						
Spot cash	22.9	32.8	16.1	11.3	21.9	20.8
Credit 10 days or less	26.5	10.5	49.6	38.4	2.7	9.5
Credit more than 10 days	50.6	56.7	34.3	50.3	75.4	69.7
Percent of credit sales discounted						
Percent of all credit sales discounted (weighted average)	--	--	49.0	77.9	84.4	96.6

Credit sales discounted

That customers take advantage of cash discounts, where allowed, is shown by the fact that one half or more of all credit sales are discounted (see Table E). Houses on a 2 percent basis allowed discounts on 49.0 percent of their 1937 credit sales and for those granting other rates the amounts discounted exceeded 75 percent of the total.

Wholesale Tobacco Distributors Described

Wholesale tobacco distributors are defined for the purpose of this report, as service and limited-function (mail-order, cash-and-carry, and wagon distributor) wholesalers engaged primarily in selling tobacco products (cigars, cigarettes, smoking tobacco, etc.) at wholesale. Many of them sell smokers' supplies and some confectionery, groceries, paper and other related products. Some also sell at retail as well as at wholesale, but only those engaged chiefly in selling tobacco products in a wholesale manner are included in this release. Sales branches and offices owned by tobacco manufacturers and operated primarily for the disposal of their products, as well as agency distributors, are omitted from this report.

- 0 -

The current Census Survey of Business includes retail as well as wholesale trade and is nation-wide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

TOBACCO AND ITS PRODUCTS (except leaf)

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		No. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE	
	ESTABLISHMENTS %	NET SALES %			1937				1938		1ST QR. 1937	2ND QR. 1937
					1ST QR.	2ND QR.	3RD QR.	4TH QR.	1ST QR.	2ND QR.	1ST QR. 1938	2ND QR. 1938
											Jan. 1 Mar. 31	April 1 June 30
SERVICE AND LIMITED-FUNCTION WHOLESALERS												
UNITED STATES	14	26	309	\$244,780	\$52,570	\$62,644	\$65,684	\$63,882	\$53,961	\$61,676	+ 2.6	- 1.5
Service wholesalers	14	27	274	240,608	51,645	61,589	64,587	62,787	52,995	60,595	+ 2.6	- 1.6
Cash-and-carry wholesalers	19	15	27	3,236	733	822	839	842	744	849	+ 1.5	+ 3.3
Wagon distributors	4	4	8	936	192	233	258	253	222	232	+15.6	- 0.4
Geographic Divisions												
New England	13	16	25	15,315	3,140	3,884	4,327	3,964	3,296	4,024	+ 5.0	+ 3.6
Middle Atlantic	14	24	87	72,390	14,665	18,266	20,009	19,450	16,004	18,836	+ 9.1	+ 3.1
East North Central	12	16	66	36,944	7,903	9,322	9,966	9,753	7,766	8,953	- 1.7	- 4.0
West North Central	12	33	28	23,629	5,175	5,986	6,268	6,200	5,087	5,698	- 1.7	- 4.8
South Atlantic	13	25	27	21,898	5,103	5,523	5,701	5,571	4,996	5,382	- 2.1	- 2.6
East South Central	8	12	5	2,773	586	658	756	773	731	796	+24.7	+21.0
West South Central	10	12	13	6,010	1,301	1,512	1,526	1,671	1,497	1,570	+15.1	+ 3.8
Mountain	18	19	12	3,483	776	879	914	914	800	875	+ 3.1	- 0.5
Pacific	28	62	46	62,338	13,921	16,614	16,217	15,586	13,784	15,542	- 1.0	- 6.5

+ INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments reporting for 1937-38 survey divided by total sales for 1935, by classifications.

States Comprising Geographic Divisions:

NEW ENGLAND - (Conn., Maine, Mass., N. H., R. I., Vt.)

MIDDLE ATLANTIC - (N. J., N. Y., Pa.)

EAST NORTH CENTRAL - (Ill., Ind., Mich., Ohio, Wis.)

WEST NORTH CENTRAL - (Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.)

SOUTH ATLANTIC - (Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.)

EAST SOUTH CENTRAL - (Ala., Ky., Miss., Tenn.)

WEST SOUTH CENTRAL - (Ark., La., Okla., Tex.)

MOUNTAIN - (Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.)

PACIFIC - (Calif., Oreg., Wash.)

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

TOBACCO AND ITS PRODUCTS (except leaf)

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935

FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTABLISHMENTS INCLUDED IN 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND END OF YEAR			PERCENT INCREASE 1935 to 1937		
	ESTABLISHMENTS %	NET* SALES %		(add 000)			(add 000)		(add 000)			NET SALES	PAY ROLL	STOCKS
				1937	1936	1935	1937	1935	1937	1936	1935			
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
UNITED STATES	14	26	309	\$244,780	\$224,645	\$202,569	\$6,545	\$5,648	\$11,867	\$11,419	\$9,882	20.8	15.9	20.1
Service wholesalers	14	27	274	240,608	220,880	199,083	6,468	5,584	11,636	11,196	9,742	20.9	15.8	19.4
Cash-and-carry wholesalers	19	15	27	3,236	3,037	2,872	64	53	201	198	125	12.7	20.8	60.8
Wagon distributors	4	4	8	936	728	614	13	11	30	25	15	52.4	18.2	100.0
Geographic Divisions														
New England	13	16	25	15,315	13,380	11,394	379	338	726	639	553	34.4	12.1	31.3
Middle Atlantic	14	24	87	72,390	62,744	57,223	2,513	2,140	3,158	2,673	2,303	26.5	17.4	37.1
East North Central	12	16	66	36,944	33,729	29,811	1,065	896	1,478	1,324	1,272	23.9	18.9	16.2
West North Central	12	33	28	23,629	21,007	17,582	491	369	1,155	983	784	34.4	33.1	47.3
South Atlantic	13	25	27	21,898	21,999	19,760	737	609	834	878	818	10.8	21.0	2.0
East South Central	8	12	5	2,773	2,350	2,219	82	69	175	150	138	25.0	18.8	26.8
West South Central	10	12	13	6,010	5,499	4,732	118	105	237	228	225	27.0	12.4	5.3
Mountain	18	19	12	3,483	3,339	2,820	99	81	162	136	119	23.5	22.2	36.1
Pacific	28	62	46	62,338	60,598	57,028	1,061	1,041	3,942	4,408	3,670	9.3	1.9	7.4

* Percentages in this column represent 1935 sales of establishments reporting for 1937-38 survey divided by total sales for 1935, by classifications.

** Pay roll not available for year 1936. Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

States Comprising Geographic Divisions:

NEW ENGLAND - (Conn., Maine, Mass., N. H., R. I., Vt.)

MIDDLE ATLANTIC - (N. J., N. Y., Pa.)

EAST NORTH CENTRAL - (Ill., Ind., Mich., Ohio, Wis.)

WEST NORTH CENTRAL - (Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.)

SOUTH ATLANTIC - (Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.)

EAST SOUTH CENTRAL - (Ala., Ky., Miss., Tenn.)

WEST SOUTH CENTRAL - (Ark., La., Okla., Tex.)

MOUNTAIN - (Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.)

PACIFIC - (Calif., Oreg., Wash.)

CENSUS SURVEY OF BUSINESS: 1937-38

TOBACCO AND ITS PRODUCTS (except leaf)

WHOLESALE DISTRIBUTION

TABLE 3.-SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS

DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALEERS									
<u>UNITED STATES</u>	2,253	309	14	\$783,368	\$202,569	26	\$21,547	\$5,648	26
Service wholesalers	1,921	274	14	746,841	199,083	27	20,778	5,584	27
Cash-and-carry wholesalers	142	27	19	19,096	2,872	15	328	53	16
Wagon distributors	190	8	4	17,431	614	4	441	11	2
<u>Geographic Divisions</u>									
New England	198	25	13	71,812	11,394	16	1,966	338	17
Middle Atlantic	643	87	14	234,255	57,223	24	6,350	2,140	34
East North Central	551	66	12	181,765	29,811	16	5,091	896	18
West North Central	231	28	12	52,705	17,582	33	1,411	369	26
South Atlantic	202	27	13	78,922	19,760	25	2,589	609	24
East South Central	63	5	8	19,259	2,219	12	638	69	11
West South Central	131	13	10	38,422	4,732	12	1,018	105	10
Mountain	67	12	18	14,672	2,820	19	531	81	15
Pacific	167	46	28	91,556	57,028	62	1,953	1,041	53

* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

States Comprising Geographic Divisions:

NEW ENGLAND - (Conn., Maine, Mass., N. H., R. I., Vt.)

MIDDLE ATLANTIC - (N. J., N. Y., Pa.)

EAST NORTH CENTRAL - (Ill., Ind., Mich., Ohio, Wis.)

WEST NORTH CENTRAL - (Iowa, Kans., Minn., Mo., Nebr.,
N. Dak., S. Dak.)

SOUTH ATLANTIC - (Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.)

EAST SOUTH CENTRAL - (Ala., Ky., Miss., Tenn.)

WEST SOUTH CENTRAL - (Ark., La., Okla., Tex.)

MOUNTAIN - (Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, Wyo.)

PACIFIC - (Calif., Oreg., Wash.)

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UNITED STATES DEPARTMENT OF COMMERCE

Daniel C. Roper, Secretary

BUREAU OF THE CENSUS

William L. Austin, Director

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

WINE AND LIQUOR TRADE

BUREAU OF THE CENSUS
LIBRARY



DECEMBER, 1938

LIBRARY OF THE
CENTRAL INTELLIGENCE
AGENCY

CENSUS SURVEY OF BUSINESS: 1937-38
Wholesale Distribution

WINE AND LIQUOR TRADE

This is one of a series of final reports presenting the findings of the Census Survey of Business for the year 1937 and the first half of 1938. Contained herein are dollar sales of identical establishments -- 220 service and limited-function wholesalers and 46 manufacturers' sales branches -- specializing in the sale of wines and liquors for the years 1935, 1936, 1937 and the first half of 1938; pay roll for the years 1935 and 1937, and the value of stocks on hand at the end of the years 1935, 1936 and 1937. Sales for the year 1937 and the first half of 1938 are shown by quarters. As added features, changes in size of business, 1935 to 1937, are shown; establishments are classified according to their usual terms of sale; and sales for the year 1937 are analyzed to show cash and credit business separately.

This Survey, unlike regular Censuses of Business, is not intended to present a complete picture of the wholesale wine and liquor trade, but rather to provide a reliable indicator of trends since the last Census. It was conducted by mail from lists made up only of establishments included in the 1935 Census, all new ones since 1935 being omitted. Those with sales less than \$25,000 for the year 1935 were likewise omitted as they account for but a negligible portion of the total business. Reporting was purely on a voluntary basis, with only one reminder follow up; hence, not all wholesalers contacted submitted returns. This report is further limited to those establishments engaged primarily in selling wines and liquors at wholesale during the year 1935 and which still operate in a similar manner.

Three Regular Censuses

Three regular Censuses of Business have been taken covering the years 1929, 1933 and 1935, respectively. Below is a comparison of the number of service and limited-function wholesalers and manufacturers' sales branches engaged primarily in the wholesaling of wines and liquors together with their sales. No data are given for 1929, a prohibition year.

	Service and Limited- Function Wholesalers		Manufacturers' Sales Branches	
	Number of establishments	Net sales	Number of establishments	Net sales
1929 Census	Prohibition Era			
1933 Census	765	\$ 87,369,000	25	\$ 17,251,000
1935 Census	1,480	417,252,000	116	197,537,000
Percent change 1933 to 1935	+93.5	+377.6	+364.0	+1045.1
Identical establishments in this Survey:				
1935	220	\$ 97,847,000	46	\$111,691,000
1936	220	135,833,000	46	132,395,000
1937	220	155,817,000	46	138,844,000
Percent change, identical establishments				
1935 to 1936		+ 38.8		+ 18.5
1936 to 1937		+ 14.7		+ 4.9
1935 to 1937		+ 59.2		+ 24.3

\$590,000,000 For Service And Limited-Function Wholesalers

If the 59.2 percent increase in sales, 1937 over 1935, as found in this Survey is considered representative for the trade, the total business of all service and limited-function wholesalers engaged primarily in selling wines and liquors approximated \$590,000,000 in 1937. Likewise, if the 24.3

percent increase is representative, the total for manufacturers' sales branches exceeded \$245,000,000.

Sales Increase More Than Pay Roll or Stocks

It is interesting to note that between 1935 and 1937 sales increased more than pay roll or stocks on hand at the end of the year. For service and limited-function wholesalers, sales rose 59.2 percent as compared with a 49.2 percent rise in pay roll and a 32.9 percent increase in stocks. Sales of manufacturers' sales branches were up 24.3 percent as compared with a 14.1 percent rise in pay roll. Inventories of manufacturers' sales branches show a decrease of 32.2 percent.

	<u>1937</u>	<u>1935</u>	% increase, 1937 over 1935
220 Service and limited- function wholesalers			
Net sales	\$155,817,000	\$ 97,847,000	+ 59.2
Pay roll	\$ 9,001,000	\$ 6,031,000	+ 49.2
Stocks, end of year	\$ 19,087,000	\$ 14,359,000	+ 32.9
46 Manufacturers' sales branches			
Net sales	\$138,844,000	\$111,691,000	+ 24.3
Pay roll	\$ 3,836,000	\$ 3,361,000	+ 14.2
Stocks, end of year	\$ 3,680,000	\$ 5,428,000	- 32.2

Quarterly Sales, 1937 and First Half of 1938

A measure of the short-term trend in the wine and liquor trade is given in terms of quarterly sales of the 220 service and limited-function wholesalers and 46 manufacturers' sales branches for the year 1937 and the first half of 1938. Quarterly sales by geographic divisions are shown in Table 1. The summary for the United States follows:

<u>Period</u>	220 Service and Limited- Function Wholesalers		46 Manufacturers' Sales Branches	
	<u>Net sales</u>	<u>% change from preceding quarter</u>	<u>Net sales</u>	<u>% change from preceding quarter</u>
1st Qr. 1937	\$35,563,000	--	\$29,691,000	--
2nd Qr. 1937	36,089,000	+ 1.5	31,060,000	+ 4.6
3rd Qr. 1937	34,706,000	- 3.8	31,473,000	+ 1.3
4th Qr. 1937	49,459,000	+ 42.5	46,620,000	+ 48.1
1st Qr. 1938	31,718,000	- 35.9	24,085,000	- 48.3
2nd Qr. 1938	36,205,000	+ 14.1	27,839,000	+ 15.6
% change, first half 1937 to first half 1938		- 5.2		- 14.5

Percent Sample

The 220 service and limited-function wholesalers included herein constitute a 15 percent sample of the number and 23 percent of sales in 1935. Likewise, the 46 manufacturers' sales branches represented 40 percent of the number and accounted for 57 percent of the total business for all branches during 1935.

Table 3, attached, measures the size of the sample included in this Survey in terms of the 1935 Census. In this table, the number of those included, together with their 1935 sales and pay roll, is compared by geographic divisions with the totals in 1935. For convenience in using the information, the percent sample, establishments and sales, is reproduced in Tables 1 and 2.

Table 2 presents comparable information by geographic divisions as to sales and stocks for the years 1935, 1936 and 1937, and on pay roll for the years 1935 and 1937.

SIZE OF ESTABLISHMENT

Of the 220 service and limited-function wholesalers included in this Survey, 195 are classified as wholesale merchants, 22 as importers, and 3 as limited-function wholesalers. The 195 wholesale merchants are arranged according to their 1935 size in Table A, below, where their number and sales are compared by size classification with all wholesale merchants for that year. As might be expected, a greater percentage of the large establishments than small ones reported for this Survey. Eighteen of the 69 (26%) in the \$1,000,000-and-over bracket and 35 of the 124 (28%) in the \$500,000 - \$999,999 group are included as compared with only 57 of the 568 (10%) in the under \$100,000 bracket.

TABLE A.-SAMPLE BY SIZE OF ESTABLISHMENT-WHOLESALE MERCHANTS ONLY

Size of establishment (Net sales in 1935)	Number of establishments		Net sales-1935		Percent sample	
	1935 Census	1937-38 Survey	1935 Census	1937-38 Survey	Estab- lishments	Net sales
Total	1,340	195	\$370,158,000	\$78,459,000	15	21
\$1,000,000 and over	69	18	122,378,000	29,436,000	26	24
\$500,000 - \$999,999	124	35	85,359,000	24,310,000	28	28
\$300,000 - \$499,999	166	33	64,001,000	12,856,000	20	20
\$100,000 - \$299,999	413	52	73,812,000	8,542,000	13	12
Under \$100,000	568	57	24,608,000	3,315,000	10	14

Increases by Size, 1937 over 1935

Percentage increases in sales, pay roll and stocks, 1937 over 1935, of the 195 wholesale merchants are shown in Table B, below, by size of establishment. The smaller establishments, those under \$500,000 show the largest gains in sales but their pay roll and inventories were also up more than average. Pay roll of 57 merchants in the under \$100,000 bracket increased 61.5 percent as compared with a gain of 53.6 percent in sales and a 56.0 percent rise in inventories. Similarly, pay roll of the 52 establishments in the \$100,000 - \$299,999 group increased 71.6 percent as compared with 59.0 percent for sales and 56.8 percent for inventories. On the other hand, sales of 18 "\$1,000,000-and-over" establishments rose 57.2 percent as compared with 44.1 percent for pay roll and 20.7 percent for inventories.

TABLE B.-INCREASES IN SALES, PAY ROLL AND STOCKS, 1937 OVER 1935,
BY SIZE OF ESTABLISHMENT

Size of establishment (Net sales in 1935)	Number of establishments	Percent increase, 1937 over 1935		
		Sales	Pay roll	Stocks
Total	195	53.4	47.9	48.4
\$1,000,000 and over	18	57.2	44.1	20.7
\$500,000 - \$999,999	35	48.5	47.4	59.1
\$300,000 - \$499,999	33	57.7	58.9	60.1
\$100,000 - \$299,999	52	59.0	71.6	56.8
Under \$100,000	57	53.6	61.5	56.0

Changes from one size bracket to another, 1937 to 1935, are shown in Table C for the 195 wholesale merchants. In keeping with the general increase in sales, the trend was from the lower to the upper groups. For example, 31 establishments were in the \$1,000,000-and-over group in 1937 as compared with only 18 in 1935. On the other hand, 57 houses had sales of less than \$100,000 in 1935 as compared with only 41 in 1937. A total of 74 establishments moved up in size bracket, while only 7 dropped to lower groups. Ten establishments moved up as much as two size brackets.

TABLE C.-NUMBER OF SERVICE WHOLESALE BY SIZE CLASSIFICATION; 1935 AND 1937

Size of establishment (based on net sales)	Total estab- lishments 1935	\$1,000,000 and over in 1937	\$500,000 to \$999,999 in 1937	\$300,000 to \$499,999 in 1937	\$100,000 to \$299,999 in 1937	Under \$100,000 in 1937
Total establishments, 1937	195	31	50	23	50	41
\$1,000,000 and over	18	18				
\$500,000 - \$999,999	35	11	22	1	1	
\$300,000 - \$499,999	33	2	20	10		1
\$100,000 - \$299,999	52		8	12	28	4
Under \$100,000	57				21	36

TERMS OF SALE

The Bureau of the Census collected information in this Survey for the first time on the usual terms of sale. Each cooperating establishment was asked to report its usual credit period and its customary cash discount rate, if any. In addition, sales for the year 1937 were to be analyzed to show "spot cash" business, credit sales 10 days or less, and credit of more than 10 days. Houses granting discounts for early payment of time sales were asked to report the percentage of their credit sales discounted in 1937. The results of these inquiries are presented in Tables D and E. Not all houses were able to supply the information, hence, the number of establishments in these tables is less than the total number included in this Survey.

Credit Period And Rate Of Discount

Table D classifies 204 service and limited-function wholesalers and 38 manufacturers' sales branches according to usual credit periods and cash discount rates. It should be noted that these are the usual terms for the houses, and that either or both the credit period and the rate of discount may vary with the commodity sold and with the customer. Also the classification as given here represents the policy of the house from which practice may vary. Thirty days, reported by 69 service and limited-function wholesalers and by 20 manufacturers' sales branches, is the most frequent credit period for the trade. Other periods are 10 days, 15 days, and a combination of periods varying with the customer.

Billing net is the common practice although 12 service wholesalers and 17 sales branches allow a cash discount of 1 percent and 12 service wholesalers grant 2 percent.

TABLE D. -ESTABLISHMENTS CLASSIFIED ACCORDING TO USUAL TERMS OF SALE

Usual Credit Period	Total number of estab- lishments	Usual discount rate				
		Net*	1%	2%	Combina- tion of rates**	Discount granted, rate not stated

SERVICE AND LIMITED-FUNCTION WHOLESALERS						
Total establishments	204	145	1/ 12	2/ 12	4	31
Spot cash (credit not usually granted)	10	10	--	--	--	--
10 days	23	20	1	--	--	2
15 days	10	10	--	--	--	--
30 days	69	46	6	6	2	9
Other periods (60 to 90 days)	22	17	--	--	1	4
Combination of periods***	35	27	--	2	--	6
Periods not stated	35	15	5	4	1	10

MANUFACTURERS' SALES BRANCHES						
Total establishments	38	12	3/ 17	--	4	5
30 days	20	11	4	--	--	5
Combination of periods***	5	1	--	--	4	--
Periods not stated	13	--	13	--	--	--

* Cash discount not usually granted.

** Rate differs with commodity and customer; no single rate predominating.

*** Period varies with commodity or customer.

1/ All 12 establishments reported their discount period as 10 days.

2/ 11 establishments reported their discount period as 10 days; 1 as 60 days.

3/ 13 establishments reported their discount period as 10 days; 4 as 15 days.

Cash vs. Credit Sales

The cash credit division of 1937 sales is given in Table E. Credit business predominates heavily as 88.2 percent of the sales of service and limited-function wholesalers and all of the business of manufacturers' sales branches included in this Survey are on a credit basis. Approximately two-thirds (66.0%) of the sales of service and limited-function wholesalers and more than four-fifths (81.7%) of the business of manufacturers' sales branches is on credit for more than 10 days.

TABLE E. --CASH-CREDIT ANALYSIS OF SALES
(Sales expressed in thousands of dollars)

Usual Credit Period	Total	Net	1%	2%	Combina- tion of rates	Discount granted, rate not stated
SERVICE AND LIMITED-FUNCTION WHOLESALERS						
Number of establishments	204	144	12	12	4	32
Net sales (1937)	\$147,102	\$93,055	\$17,042	\$5,461	\$3,216	\$28,328
Spot cash	17,346	11,597	373	808	337	4,231
Credit 10 days or less	32,671	13,749	8,893	2,397	331	7,301
Credit more than 10 days	97,085	67,709	7,776	2,256	2,548	16,796
Percent of net sales						
Spot cash	11.8	12.5	2.2	14.8	10.5	14.9
Credit 10 days or less	22.2	14.8	52.2	43.9	10.3	25.8
Credit more than 10 days	66.0	72.7	45.6	41.3	79.2	59.3
	Percent of credit sales discounted					
Percent of all credit sales discounted (weighted average)			31.0	49.0	15.7	28.1
MANUFACTURERS' SALES BRANCHES						
Number of establishments	38	12	17	--	4	5
Net sales (1937)	\$132,045	\$44,597	\$26,999	--	\$17,335	\$43,114
Credit 10 days or less	24,205	--	24,205	--	--	--
Credit more than 10 days	107,840	44,597	2,794	--	17,335	43,114
Percent of net sales						
Credit 10 days or less	18.3	--	89.7	--	--	--
Credit more than 10 days	81.7	100.0	10.3	--	100.0	100.0
	Percent of credit sales discounted					
Percent of all credit sales discounted (weighted average)			59.4	--	50.6	15.0

Credit Sales Discounted

The extent to which customers take advantage of cash discounts where allowed is also shown in Table E. Service and limited-function wholesalers selling on a 1 percent basis granted discounts on 31.0 percent of their 1937 credit sales and those granting 2 percent allowed discounts on 49.0 percent of their 1937 business. Similarly, manufacturers' sales branches selling on a 1 percent basis discounted 59.4 percent of their business.

- 0 -

The current Census Survey of Business includes retail as well as wholesale trade and is nationwide in scope. It is being conducted by the Bureau of the Census with funds provided by the Works Progress Administration. The project is under the direction of Fred A. Gosnell, Chief Statistician, who was also in charge of previous Business Censuses. Wholesale trade reports are prepared under the immediate supervision of John Albright, assisted by James D. Lenig.

CENSUS SURVEY OF BUSINESS: 1937-38

WHOLESALE DISTRIBUTION

WINE AND LIQUOR TRADE

TABLE 1.-NET SALES BY QUARTERS: 1937 AND FIRST HALF OF 1938
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTAB- LISH- MENTS INCLUD- ED IN 1937-38 SURVEY	NET SALES YEAR 1937 (add 000)	NET SALES BY QUARTERS (add 000)						PERCENT CHANGE		
	ESTAB- LISH- MENTS %	NET * SALES %			1937				1938		1ST QR. 1937 To 1ST QR. 1938	2ND QR. 1937 To 2ND QR. 1938	
					1ST QR. Jan. 1 Mar. 31	2ND QR. April 1 June 30	3RD QR. July 1 Sept. 30	4TH QR. Oct. 1 Dec. 31	1ST QR. Jan. 1 Mar. 31	2ND QR. April 1 June 30			
SERVICE AND LIMITED-FUNCTION WHOLESALEERS													
UNITED STATES	15	23	220	\$155,817	\$35,563	\$36,089	\$34,706	\$49,459	\$31,718	\$36,205	-10.8	+ 0.3	
New England	18	22	24	15,050	3,306	3,682	3,603	4,459	3,219	3,738	- 2.6	+ 1.5	
Middle Atlantic	19	29	50	67,831	14,480	15,077	15,174	23,100	13,286	15,550	- 8.2	+ 3.1	
East North Central	15	17	57	22,338	5,390	5,347	5,078	6,523	4,356	5,031	-19.2	- 5.9	
West North Central	18	26	17	12,499	3,104	2,836	2,553	4,006	2,660	3,003	-14.3	+ 5.9	
South Atlantic	11	16	13	7,870	2,137	1,862	1,473	2,398	1,804	1,696	-15.6	- 8.9	
East South Central	14	22	7	11,051	2,729	2,626	2,265	3,431	2,390	2,304	-12.4	-12.3	
West South Central	8	23	6										
Mountain	19	43	9	4,787	1,045	1,164	1,168	1,410	980	1,131	- 6.2	- 2.8	
Pacific	12	24	37	14,391	3,372	3,495	3,392	4,132	3,023	3,752	-10.4	+ 7.4	
MANUFACTURERS' SALES BRANCHES (with stocks)													
UNITED STATES	40	57	46	138,844	29,691	31,060	31,473	46,620	24,085	27,839	-18.9	-10.4	
Middle Atlantic	1/	1/	8	46,808	8,970	10,144	10,640	17,054	7,296	8,234	-18.7	-18.8	
East North Central	--	--	11	35,852	8,261	8,491	8,529	10,571	5,697	7,329	-31.0	-13.7	
Mountain	--	--	5	2,320	529	572	521	698	399	470	-26.5	-17.8	
Pacific	--	--	13	23,781	5,925	5,029	5,487	7,340	4,564	5,204	-23.0	+ 3.5	
Other Divisions	--	--	9	30,083	6,006	6,824	6,296	10,957	6,139	6,602	+ 2.2	- 3.3	

+ INCREASE - DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

States Comprising Geographic Divisions:

NEW ENGLAND--Conn., Maine, Mass., N. H., R. I., Vt.

MIDDLE ATLANTIC--N. J., N. Y., Pa.

EAST NORTH CENTRAL--Ill., Ind., Mich., Ohio, Wis.

WEST NORTH CENTRAL--Iowa, Kans., Minn., Mo., Nebr., N. Dak., S. Dak.

SOUTH ATLANTIC--Del., D. C., Fla., Ga., Md., N. C., S. C., Va., W. Va.

EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Cal., Idaho, Mont., Nev., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

WINE AND LIQUOR TRADE

TABLE 2.- SALES, PAY ROLL AND STOCKS: 1937, 1936 AND 1935
FOR IDENTICAL ESTABLISHMENTS, BY GEOGRAPHIC DIVISIONS

DIVISION	SIZE OF SAMPLE COMPARED WITH 1935 CENSUS		NO. OF ESTAB- LISH- MENTS INCLUD- ED IN 1937-38 SURVEY	NET SALES			PAY ROLL**		STOCKS ON HAND END OF YEAR			PERCENT INCREASE 1935 to 1937		
	(add 000)			(add 000)		(add 000)								
	ESTAB. LISH- MENTS %	NET* SALES %		1937	1936	1935	1937	1935	1937	1936	1935	NET SALES	PAY ROLL	STOCKS
SERVICE AND LIMITED-FUNCTION WHOLESALERS														
UNITED STATES	15	23	220	\$155,817	\$135,833	\$97,847	\$9,001	\$6,031	\$19,087	\$17,243	\$14,359	59.2	49.2	32.9
New England	18	22	24	15,050	12,674	9,915	1,008	711	2,008	1,580	1,296	51.8	41.8	54.9
Middle Atlantic	19	29	50	67,831	55,641	35,974	3,893	2,316	8,100	7,129	6,085	88.6	68.1	33.1
East North Central	15	17	57	22,338	20,280	13,648	1,100	853	2,542	2,313	2,438	63.7	29.0	4.3
West North Central	18	26	17	12,499	11,816	8,451	628	480	1,845	2,194	1,389	47.9	30.8	32.8
South Atlantic	11	16	13	7,870	7,978	6,339	597	401	887	755	565	24.2	48.9	57.0
East South Central	14	22	7	11,051	8,977	8,269	673	439	1,429	1,156	855	33.6	53.3	67.1
West South Central	8	23	6											
Mountain	19	43	9	4,787	4,598	3,289	217	144	470	449	271	45.5	50.7	73.4
Pacific	12	24	37	14,391	13,869	11,962	885	687	1,806	1,667	1,460	20.3	28.8	23.7
MANUFACTURERS' SALES BRANCHES (with stocks)														
UNITED STATES	40	57	46	138,844	132,395	111,691	3,836	3,361	3,680	5,955	5,428	24.3	14.1	-32.2
Middle Atlantic	1	1	8	46,808	46,175	45,909	1,553	1,343	1,685	3,550	2,317	2.0	15.6	-27.3
East North Central	--	--	11	35,852	35,006	25,584	784	569	775	883	1,278	40.1	37.8	-39.4
Mountain	--	--	5	2,320	2,378	2,533	60	71	113	118	149	- 8.4	-15.5	-24.2
Pacific	--	--	13	23,781	22,570	16,616	618	660	801	1,046	1,390	43.1	- 6.4	-42.4
Other divisions	--	--	9	30,083	26,266	21,049	821	718	306	358	294	42.9	14.3	4.1

DECREASE

* Percentages in this column represent 1935 sales of establishments included in this survey, divided by total 1935 sales of each classification.

** Pay roll not available for year 1936. Pay roll includes compensation of both fulltime and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 figures not available for calculating percent sample by geographic divisions.

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EAST SOUTH CENTRAL--Ala., Ky., Miss., Tenn.

WEST SOUTH CENTRAL--Ark., La., Okla., Tex.

MOUNTAIN--Ariz., Colo., Idaho, Mont., Neo., N. Mex., Utah, Wyo.

PACIFIC--Calif., Oreg., Wash.

CENSUS SURVEY OF BUSINESS: 1937-38

WINE AND LIQUOR TRADE

WHOLESALE DISTRIBUTION

TABLE 3.--SIZE OF SAMPLE

1937 SURVEY COMPARED WITH 1935 CENSUS

ESTABLISHMENTS, SALES AND PAY ROLL BY GEOGRAPHIC DIVISIONS

DIVISION	NUMBER OF ESTABLISHMENTS			NET SALES (add 000)			PAY ROLL* (add 000)		
	1935 CENSUS	INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 SALES OF THOSE INCLUDED IN 1937-38 SURVEY		1935 CENSUS	1935 PAY ROLL OF THOSE INCLUDED IN 1937-38 SURVEY	
		NUMBER	% SAMPLE		AMOUNT	% SAMPLE		AMOUNT	% SAMPLE
SERVICE AND LIMITED-FUNCTION WHOLESALERS									
<u>UNITED STATES</u>	1,480	220	15	\$417,252	\$ 97,847	23	\$ 25,303	\$ 6,031	24
New England	133	24	18	46,100	9,915	22	3,021	711	24
Middle Atlantic	270	50	19	123,026	35,974	29	8,876	2,316	26
East North Central	378	57	15	80,741	13,648	17	4,278	853	20
West North Central	96	17	18	32,746	8,451	26	1,752	480	27
South Atlantic	115	13	11	40,805	6,339	16	2,222	401	18
East South Central	50	7	14	17,393	3,787	22	698	256	37
West South Central	78	6	8	19,447	4,482	23	986	183	19
Mountain	47	9	19	7,650	3,289	43	431	144	33
Pacific	313	37	12	49,344	11,962	24	3,039	687	23
MANUFACTURERS' SALES BRANCHES (with stocks)									
<u>UNITED STATES</u>	<u>1/ 116</u>	46	40	<u>1/197,537</u>	111,691	57	<u>1/ 6,554</u>	3,360	51
Middle Atlantic	--	8	--	--	45,909	--	--	1,342	--
East North Central	--	11	--	--	25,584	--	--	569	--
Mountain	--	5	--	--	2,533	--	--	71	--
Pacific	--	13	--	--	16,616	--	--	660	--
Other Divisions	--	9	--	--	21,049	--	--	718	--

* Pay roll includes compensation of full-time and part-time employees, but not of proprietors and firm members of unincorporated businesses.

1/ 1935 Census figures not available by geographic divisions.

States Comprising Geographic Divisions:

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PACIFIC--Calif., Oreg., Wash.







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